



UBS Investment Funds Financial Report For the year ended 30 June 2023

This financial report covers the following UBS Investment Funds:

UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)

UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)

UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)
ARSN 603 812 040

The Responsible Entity of the Funds is UBS Asset Management (Australia) Ltd (ABN 31 003 146 290) (AFSL 222 605).
The Responsible Entity's registered office is located at Level 16 Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

UBS Investment Funds Financial Report For the year ended 30 June 2023

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The financial report covers the UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF), UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF) and UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF) as individual entities.

Directors' Report

The directors of UBS Asset Management (Australia) Ltd (ABN 31 003 146 290) (AFS Licence No. 222 605), the Responsible Entity of the UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF), UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF) and UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF) ("the Funds"), present their report together with the Financial statements of the Funds for the year ended 30 June 2023.

Funds' information

The Funds are Australian Registered Schemes. UBS Asset Management (Australia) Ltd, the Responsible Entity of the Funds, is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Level 16 Chifley Tower, 2 Chifley Square, Sydney, NSW 2000.

Directors

The following persons held office as directors of UBS Asset Management (Australia) Ltd during the year and up to the date of this report:

A Telfer, Chairman
G W Rice
N A Hughes
J Benady (Appointed 20 September 2022)
J Pieterse (Appointed 20 September 2022, Resigned 18 August 2023)
C Charnock (Appointed 25 September 2023)

Principal Activities

During the year, the Funds continued to invest in accordance with their current Product Disclosure Statements and the provisions of the Funds' Constitutions.

The Funds did not have any employees during the year.

Other than the above, there were no significant changes in the nature of the Funds' activities during the year or since the end of the year and up to the date of this report.

Review and results of operations

Effective 6 February 2023, UBS IQ MSCI Australia Ethical ETF has been renamed to UBS Australia Index Fund, UBS IQ MSCI Asia APEX 50 Ethical ETF has been renamed to UBS Emerging Markets Index Fund, and UBS IQ MSCI World ex Australia Ethical ETF has been renamed to UBS World ex Australia Index Fund.

The Funds continued to invest in accordance with target asset allocations as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

Directors' Report (continued)

Review and results of operations (continued)

The performance of the Funds, as represented by the results of their operations, was as follows:

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	Year ended		Year ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Profit/(loss) before finance costs attributable to unitholders	<u>12,090,130</u>	<u>(5,781,408)</u>	<u>336,401</u>	<u>(2,349,742)</u>
<i>Distributions</i>				
Total distribution paid	<u>10,167,675</u>	<u>8,050,165</u>	<u>205,519</u>	<u>877,058</u>
Total distribution payable	<u>168,309</u>	<u>13,780,867</u>	<u>-</u>	<u>746,937</u>
Total distribution (cents per unit)	<u>317.42</u>	<u>368.00</u>	<u>70.84</u>	<u>505.80</u>
Total return (including both capital and distribution return) for the year assuming reinvestment of all distributions back into the Fund (%)	<u>14.69</u>	<u>(6.34)</u>	<u>-</u>	<u>(18.91)</u>

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
	Year ended	
	30 June 2023	30 June 2022
	\$	\$
Profit/(loss) before finance costs attributable to unitholders	<u>16,335,756</u>	<u>774,795</u>
<i>Distributions</i>		
Total distribution paid	<u>12,781,222</u>	<u>16,983,360</u>
Total distribution payable	<u>-</u>	<u>14,892,974</u>
Total distribution (cents per unit)	<u>376.85</u>	<u>829.93</u>
Total return (including both capital and distribution return) for the year assuming reinvestment of all distributions back into the Fund (%)	<u>22.94</u>	<u>(6.53)</u>

Significant changes in the state of affairs

On 13 June 2023, the directors resolved to terminate the Funds and following 60 days termination notice period ending on the termination date 14 August 2023 to wind up the Funds. Therefore, the Funds will terminate operations in accordance with the Constitution and will commence the winding up on 14 August 2023.

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

Directors' Report (continued)

Likely developments and expected results of operations (continued)

Further information on likely developments in the operations of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Events occurring after reporting period

Other than the termination details discussed in the sub-heading 'Significant changes in the state of affairs', no other matter has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Funds in future financial years.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of UBS Asset Management (Australia) Ltd or the auditors of the Funds. So long as the officers of UBS Asset Management (Australia) Ltd act in accordance with the Funds' Constitutions and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

The auditors of the Funds are in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Funds' assets during the year are disclosed in Note 17 of the financial statements.

No fees were paid out of the Funds' assets to the directors of the Responsible Entity during the year.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 17 of the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in Note 5 of the financial statements.

The value of the Funds' assets and liabilities is disclosed in the Statement of Financial Position and derived using the basis set out in Note 2 of the financial statements.

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Single set of financial reports

The Funds are entities of the kind referred to in ASIC Corporations (Related Scheme Reports) Instrument 2015/839 issued by the Australian Securities and Investments Commission ("ASIC") and in accordance with that Instrument, Funds with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single set of financial reports.

Proceeds from redeeming units in a Fund can be applied to acquire units in other Funds included in these financial statements. All the Funds are open-ended.

Directors' Report (continued)

Rounding of amounts

The Funds are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollars in accordance with that ASIC Instrument, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the directors.



A Telfer
Chairman



G W Rice
Director

Sydney
25 September 2023



**Building a better
working world**

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Auditor's independence declaration to the directors of UBS Asset Management (Australia) Ltd, as Responsible Entity for UBS Investment Funds

For the following UBS Investment Funds ("the Funds"):

- ▶ UBS Australia Index Fund
- ▶ UBS Emerging Markets Index Fund
- ▶ UBS World ex Australia Index Fund

As lead auditor for the audit of the financial report of the Funds for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Elliott Shadforth'.

Elliott Shadforth
Partner
25 September 2023

Statements of Comprehensive Income

	Notes	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
		Year ended		Year ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
		\$	\$	\$	\$
Investment income					
Dividend/Trust distribution income		3,210,700	7,378,338	220,218	347,335
Interest income		3,046	-	4,427	25
Net gains/(losses) on financial instruments at fair value through profit or loss	4	8,904,626	(13,005,658)	160,177	(2,590,831)
Net foreign exchange gains/(losses)		(2,594)	(18,741)	35,491	(6,953)
Other income		58,546	32,411	451	7,298
Total investment income/(loss)		12,174,324	(5,613,650)	420,764	(2,243,126)
Expenses					
Responsible Entity's fees	17	71,501	140,625	15,190	32,411
Transaction costs		9,775	11,728	13,399	27,006
Other expenses	16	2,918	15,405	55,774	47,199
Total expenses		84,194	167,758	84,363	106,616
Profit/(loss) for the year attributable to unitholders		12,090,130	(5,781,408)	336,401	(2,349,742)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		12,090,130	(5,781,408)	336,401	(2,349,742)

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Comprehensive Income (continued)

		UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
		Year ended	
		30 June 2023	30 June 2022
		\$	\$
Notes			
Investment income			
	Dividend/Trust distribution income	1,666,724	2,519,035
	Interest income	5,599	30
4	Net gains/(losses) on financial instruments at fair value through profit or loss	15,274,744	(886,481)
	Net foreign exchange gains/(losses)	(258,126)	(281,786)
	Other income	823	3,195
	Total investment income/(loss)	<u>16,689,764</u>	<u>1,353,993</u>
Expenses			
17	Responsible Entity's fees	113,109	214,490
	Transaction costs	19,382	8,451
16	Other expenses	221,517	356,257
	Total expenses	<u>354,008</u>	<u>579,198</u>
	Profit/(loss) for the year attributable to unitholders	<u>16,335,756</u>	<u>774,795</u>
	Other comprehensive income for the year	-	-
	Total comprehensive income for the year	<u>16,335,756</u>	<u>774,795</u>

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Financial Position

	Notes	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
		As at		As at	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
		\$	\$	\$	\$
Assets					
Cash and cash equivalents	7	210,286	721,331	138,291	671,398
Receivables	10	292,099	527,014	27,052	328,412
Financial assets at fair value through profit or loss	8	45,481,685	104,223,634	3,104	4,436,571
Total assets		45,984,070	105,471,979	168,447	5,436,381
Liabilities					
Bank overdrafts		-	-	-	466,251
Distributions payable	6	168,309	13,780,867	-	746,937
Payables	11	127,081	77,185	164,005	1,590
Financial liabilities at fair value through profit or loss	9	-	9,450	1	33,930
Total liabilities		295,390	13,867,502	164,006	1,248,708
Net assets attributable to unitholders - equity	5	45,688,680	91,604,477	4,441	4,187,673

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Financial Position (continued)

		UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
		As at	
		30 June 2023	30 June 2022
	Notes	\$	\$
Assets			
Cash and cash equivalents	7	268,832	680,121
Receivables	10	1,607,028	199,560
Financial assets at fair value through profit or loss	8	<u>81,191,401</u>	<u>85,333,238</u>
Total assets		<u>83,067,261</u>	<u>86,212,919</u>
Liabilities			
Distributions payable	6	-	14,892,974
Payables	11	1,408,136	18,809
Financial liabilities at fair value through profit or loss	9	<u>99</u>	<u>19,620</u>
Total liabilities		<u>1,408,235</u>	<u>14,931,403</u>
Net assets attributable to unitholders - equity	5	<u>81,659,026</u>	<u>71,281,516</u>

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

	Notes	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
		Year ended		Year ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
		\$	\$	\$	\$
Total equity at the beginning of the year		91,604,477	137,077,190	4,187,673	18,549,999
Comprehensive income for the year					
Profit/(loss) for the year		12,090,130	(5,781,408)	336,401	(2,349,742)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		12,090,130	(5,781,408)	336,401	(2,349,742)
Transactions with unitholders	5				
Applications		8,815,500	22,975,000	1,870,000	1,700,000
Redemptions		(68,696,483)	(56,682,000)	(7,136,570)	(14,780,000)
Units issued upon reinvestment of distributions		12,211,040	15,846,727	952,456	2,691,411
Distributions paid and payable	6	(10,335,984)	(21,831,032)	(205,519)	(1,623,995)
Total transactions with unitholders		(58,005,927)	(39,691,305)	(4,519,633)	(12,012,584)
Total equity at the end of the year		45,688,680	91,604,477	4,441	4,187,673

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Changes in Equity (continued)

		UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
		Year ended	
		30 June 2023	30 June 2022
	Notes	\$	\$
Total equity at the beginning of the year		71,281,516	186,911,314
Comprehensive income for the year			
Profit/(loss) for the year		16,335,756	774,795
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>16,335,756</u>	<u>774,795</u>
Transactions with unitholders	5		
Applications		41,636,974	6,075,000
Redemptions		(50,302,000)	(106,046,000)
Units issued upon reinvestment of distributions		15,488,002	15,442,741
Distributions paid and payable	6	<u>(12,781,222)</u>	<u>(31,876,334)</u>
Total transactions with unitholders		<u>(5,958,246)</u>	<u>(116,404,593)</u>
Total equity at the end of the year		<u>81,659,026</u>	<u>71,281,516</u>

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	Year ended		Year ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Notes	\$	\$	\$	\$
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	75,748,901	70,873,017	7,031,966	14,932,962
Purchase of financial instruments at fair value through profit or loss	(8,052,995)	(41,039,337)	(2,164,406)	(2,077,512)
Dividends/Trust distributions received	3,442,497	7,412,725	188,262	308,120
Interest received	3,017	-	4,166	7
Net foreign exchange gains/(losses)	(2,594)	(18,741)	38,581	15,415
Other income received	59,358	32,015	2,158	450
Responsible Entity's fees paid	(76,287)	(143,357)	(16,172)	(35,110)
Payments for other expenses	(14,457)	(1,866)	(45,148)	(110,323)
Net cash inflows/(outflows) from operating activities	19(a) <u>71,107,440</u>	<u>37,114,456</u>	<u>5,039,407</u>	<u>13,034,009</u>
Cash flows from financing activities				
Proceeds from applications by unitholders (i)	8,815,500	22,975,000	1,870,000	1,700,000
Payments for redemptions by unitholders (i)	(68,696,483)	(56,682,000)	(6,973,173)	(14,780,000)
Distributions paid	(11,737,502)	(3,309,441)	-	(877,058)
Net cash inflows/(outflows) from financing activities	<u>(71,618,485)</u>	<u>(37,016,441)</u>	<u>(5,103,173)</u>	<u>(13,957,058)</u>
Net increase/(decrease) in cash and cash equivalents	(511,045)	98,015	(63,766)	(923,049)
Cash and cash equivalents at the beginning of the year	721,331	623,316	205,147	1,150,564
Effects of foreign exchange rate changes on cash and cash equivalents	-	-	(3,090)	(22,368)
Cash and cash equivalents at the end of the year	19(b) <u>210,286</u>	<u>721,331</u>	<u>138,291</u>	<u>205,147</u>

(i) Refer to Note 5 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows (continued)

		UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
		Year ended	
		30 June 2023	30 June 2022
Notes		\$	\$
Cash flows from operating activities			
		62,110,534	115,451,215
		(44,086,781)	(7,724,614)
		1,410,983	2,544,692
		5,380	21
		(254,233)	(279,273)
		1,604	6,593
		(112,748)	(227,093)
		(20,915)	(372,495)
	19(a)	<u>19,053,824</u>	<u>109,399,046</u>
Cash flows from financing activities			
		41,636,974	6,075,000
		(48,912,000)	(106,046,000)
		(12,186,194)	(9,609,937)
		(19,461,220)	(109,580,937)
		(407,396)	(181,891)
		680,121	864,525
		(3,893)	(2,513)
	19(b)	<u>268,832</u>	<u>680,121</u>

(i) Refer to Note 5 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

1 General Information

These financial statements cover the UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF), UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF) and UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF) (“the Funds”) as individual entities.

The Responsible Entity of the Funds is UBS Asset Management (Australia) Ltd (“the Responsible Entity”). The Responsible Entity’s registered office is located at Level 16 Chifley Tower, 2 Chifley Square, Sydney NSW 2000. The Responsible Entity is incorporated and domiciled in Australia.

The financial statements of the Funds for the year ended 30 June 2023 were authorised for issue in accordance with the resolution of the directors of the Responsibility Entity dated 25 September 2023. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian dollars.

On 5 May 2016, the Attribution Managed Investment Trust “AMIT” regime, applying to Managed Investment Trusts (“MITs”) was established under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. With its introduction, the Responsible Entity has modified the Funds’ Constitutions to facilitate each Fund’s operation under the new AMIT regime. The Responsible Entity has elected for the AMIT Regime to apply to the Funds from the 2017/2018 financial reporting period via the lodgement of the Funds’ tax returns. As at 30 June 2018, the Funds met the conditions to be an AMIT and reassessed the other criteria in AASB 132 *Financial Instruments: Presentation* for classifying unitholders’ funds. As at 1 July 2020, the Funds only have a single class of share and consequently the units in the Funds have been re-classified from a financial liability to equity.

On 13 July 2023, the directors resolved to terminate the Funds and following one month termination notice period ending on the termination date 14 August 2023 to wind up the Funds. Therefore, the Funds will terminate operations in accordance with the Constitution and will commence the winding up on 14 August 2023.

See Note 2 for further information.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

The Funds are for-profit funds for the purpose of preparing the financial statements.

These financial statements for the year ended 30 June 2023 are prepared on a liquidation basis. The directors considered the Funds are not going concern as they resolved on 14 August 2023 to wind up the Fund.

Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets, financial liabilities at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of the reporting period cannot be reliably determined.

(i) Compliance with Australian Accounting Standards and International Financial Reporting Standards (IFRS)

The financial statements of the Funds comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of significant accounting policies (continued)

(b) New/Amended standards and Interpretations adopted by the Funds

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(c) Investment entities

Funds that meet the definition of an investment entity within AASB 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Board of Directors of the Responsible Entity ("The Board") has concluded that the Funds meet the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities and similar securities; it has more than one investor.

The Board has also concluded that the Funds meet the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

(d) Financial instruments

(i) Classification and measurement

Classification and measurement of debt securities is driven by the Funds' business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument represent solely payments of principal and interest (SPPI).

A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell.

All other debt instruments must be recognised at fair value through profit or loss. A Fund may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

Assets

The Funds classify their investments based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds' portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy that the business model is held for sale. The Responsible Entity evaluates the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives such as futures and foreign currency contracts, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(i) Classification and measurement (continued)

For other receivables and payables, including amounts due to/from brokers, these balances are classified at amortised cost as they are deemed to be held in a business model with the objective to collect contractual cash flows through to maturity, and whose terms meet the SPPI criterion by virtue of the fact that payments pertain to only principal and/or simple interest and have a maturity of less than 12 months.

Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

Measurement

At initial recognition, the Funds measure financial assets and financial liabilities at fair value, plus in the case of a financial asset or liability not measured at fair value through profit or loss, transaction costs.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Statement of Comprehensive Income within 'Net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair values of financial instruments are determined please see Note 15 of the financial statements.

Subsequent to initial recognition, financial assets and liabilities measured at amortised cost will use the effective interest rate method and are presented net of provisions for impairment.

(ii) Impairment

AASB 9 also introduced an expected credit loss (ECL) approach to recognise and measure impairment, which replaced AASB 139's incurred loss approach. AASB 9 required the Funds to record an allowance for ECLs for all financial assets not at fair value through profit or loss.

The ECL approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Funds expect to receive. The shortfall is then discounted at the asset's original effective interest rate.

For receivables, due from brokers, margin accounts and applications receivable, the Funds have applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

The Funds consider a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Funds may also consider a financial asset to be in default when internal or external information indicates that the Funds are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Funds.

(iii) Hedge accounting

The Funds do not apply hedge accounting.

(iv) Derecognition

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Funds have transferred substantially all of the risks and rewards of ownership.

2 Summary of significant accounting policies (continued)

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when, and only when, there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to Note 14 to the financial statements for further information.

(f) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Funds at any time for cash based on the redemption price, which is equal to a proportionate share of the Funds' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Funds. This amount represents the expected cash flows on redemption of these units.

The Funds' units were reclassified as equity as they satisfied the below criteria under AASB 132 *Financial Instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Funds' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Funds, and it is not a contract settled in the Funds own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks or other financial institutions and margin accounts. Margin accounts comprise cash held as collateral for derivative transactions. The cash pertinent to the margin accounts is held by the broker and is only available to meet margin calls.

(h) Investment income

Interest income and expense is recognised in the Statement of Comprehensive Income for all debt instruments using the effective interest method.

Interest income on discount securities include both interest on maturity and any realized gains/(losses) on discount securities component.

Interest income on discount securities is calculated as the difference between the purchase price and face value on maturity of a security.

Dividend income is recognised on the ex-dividend date when the Funds' right to receive the payment is established and dividend revenue is presented gross of withholding tax in the Statement of Comprehensive Income.

Trust distributions are recognised on a present entitlement basis.

2 Summary of significant accounting policies (continued)

(i) Expenses

All expenses, including Responsible Entity's fees and other expenses, which include dividend withholding tax, are recognised in the Statement of Comprehensive Income on an accruals basis.

(j) Income tax

Under current legislation, the Funds are not subject to income tax as unitholders are presently entitled to the income of the Funds and the Funds fully distributes their net taxable income.

(k) Distributions

In accordance with the Funds' Constitutions, the Funds fully distribute their income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of Changes in Equity.

(l) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in the net assets attributable to the unitholders.

(m) Foreign currency translation

(i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the Statement of Comprehensive Income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

(n) Receivables

Receivables may include income receivable and amounts are generally received within 30 days of being recorded as receivables.

Trades are recorded on trade date and normally settled within three business days. Sales of securities and investments that are unsettled at the end of the financial year, are included in receivables.

Accrued income may include amounts for dividends, trust distributions and interest.

Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of the year from the time of last payment.

(o) Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid as at the end of the year.

2 Summary of significant accounting policies (continued)

(o) Payables (continued)

Trades are recorded on trade date and normally settled within three business days. Purchases of securities and investments that are unsettled at the end of the financial year are included in payables.

The distribution amount payable to unitholders as at the end of the year is recognised separately on the Statement of Financial Position as unitholders are presently entitled to the distributable income under the Funds' Constitutions.

(p) Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets of the Funds divided by the number of units on issue.

(q) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties have been passed on to the Funds. The Funds qualifies for Reduced Input Tax Credits (RITC) at a rate of 55% to 75%. Hence, the costs have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO).

Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position.

Cash flows relating to GST are included in the Statement of Cash Flow on a gross basis.

(r) Use of estimates

The Funds makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. No significant estimates were used in the preparation of these financials.

(s) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

The Board of the Responsible Entity reviews performance of the segments against the performance of the Funds' benchmark.

(t) Rounding of amounts

The Funds are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest dollars in accordance with that ASIC Instrument, unless otherwise indicated.

3 Auditor's remuneration

During the year the following professional fees were paid or payable by the Responsible Entity for services provided by the auditor of the Funds.

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	Year ended		Year ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Assurance services				
<i>Ernst & Young</i>				
Audit and review of financial statements	7,900	7,900	7,900	7,900
Audit of compliance plan	-	-	-	-
Total remuneration for assurance services	7,900	7,900	7,900	7,900

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
	Year ended	
	30 June 2023	30 June 2022
	\$	\$
Assurance services		
<i>Ernst & Young</i>		
Audit and review of financial statements	7,900	7,900
Audit of compliance plan	2,453	2,727
Total remuneration for assurance services	10,353	10,627

4 Net gains/(losses) on financial instruments at fair value through profit or loss

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	Year ended		Year ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Net gains/(losses) on financial instruments at fair value through profit or loss	8,904,626	(13,005,658)	160,177	(2,590,831)
Total net gains/(losses) on financial instruments at fair value through profit or loss	8,904,626	(13,005,658)	160,177	(2,590,831)

4 Net gains/(losses) on financial instruments at fair value through profit or loss (continued)

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
	Year ended	
	30 June 2023	30 June 2022
	\$	\$
Net gains/(losses) on financial instruments at fair value through profit or loss	<u>15,274,744</u>	<u>(886,481)</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>15,274,744</u>	<u>(886,481)</u>

5 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	Year ended			
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	No.	No.	\$	\$
UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)				
Net assets attributable to unitholders				
Opening balance	5,341,353	6,189,161	91,604,477	137,077,190
Applications	469,058	1,032,156	8,815,500	22,975,000
Redemptions	(3,759,995)	(2,603,542)	(68,696,483)	(56,682,000)
Units issued upon reinvestment of distributions	730,271	723,578	12,211,040	15,846,727
Distributions paid and payable	-	-	(10,335,984)	(21,831,032)
Profit/(loss) for the year	-	-	12,090,130	(5,781,408)
Closing balance	<u>2,780,687</u>	<u>5,341,353</u>	<u>45,688,680</u>	<u>91,604,477</u>

	Year ended			
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	No.	No.	\$	\$
UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)				
Net assets attributable to unitholders				
Opening balance	203,080	589,390	4,187,673	18,549,999
Applications	92,410	60,422	1,870,000	1,700,000
Redemptions	(341,477)	(531,917)	(7,136,570)	(14,780,000)
Units issued upon reinvestment of distributions	45,987	85,185	952,456	2,691,411
Distributions paid and payable	-	-	(205,519)	(1,623,995)
Profit/(loss) for the year	-	-	336,401	(2,349,742)
Closing balance	<u>-</u>	<u>203,080</u>	<u>4,441</u>	<u>4,187,673</u>

5 Net assets attributable to unitholders (continued)

	30 June 2023 No.	Year ended		30 June 2022 No.
		30 June 2023 \$	30 June 2022 \$	
UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)				
Net assets attributable to unitholders				
Opening balance	3,039,828	5,587,484	71,281,516	186,911,314
Applications	1,631,197	184,669	41,636,974	6,075,000
Redemptions	(2,039,510)	(3,194,598)	(50,302,000)	(106,046,000)
Units issued upon reinvestment of distributions	650,819	462,273	15,488,002	15,442,741
Distributions paid and payable	-	-	(12,781,222)	(31,876,334)
Profit/(loss) for the year	-	-	16,335,756	774,795
Closing balance	3,282,334	3,039,828	81,659,026	71,281,516

As stipulated within the relevant Funds' Constitutions and the Product Disclosure Statements, each unit in the Funds confers an equal undivided interest in the relevant Class Assets and subject to the liabilities applicable to that unit. A unit does not confer an interest in a particular asset. There are no separate classes of units and each unit has the same rights attached to it as all other units of the Funds.

Capital risk management

The Funds manage its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders. The Funds monitor the level of daily applications and redemptions relative to the liquid assets in the Funds.

6 Distributions to unitholders

The distributions for the year were paid/payable as follows:

	30 June 2023 \$	Year ended		30 June 2022 CPU
		30 June 2023 CPU	30 June 2022 \$	
UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)				
Distributions				
30 November	-	-	8,050,165	110.00
30 December	2,169,995	53.81	-	-
8 June	7,997,680	257.56	-	-
30 June (payable)	168,309	6.05	13,780,867	258.00
	10,335,984	317.42	21,831,032	368.00
Total distributions	10,335,984		21,831,032	

6 Distributions to unitholders (continued)

	Year ended			
	30 June 2023	30 June 2023	30 June 2022	30 June 2022
UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	\$	CPU	\$	CPU
Distributions				
30 November	-	-	877,058	138.00
30 December	66,754	21.48	-	-
8 June	138,765	49.36	-	-
30 June (payable)	-	-	746,937	367.80
	<u>205,519</u>	<u>70.84</u>	<u>1,623,995</u>	<u>505.80</u>
Total distributions	<u>205,519</u>		<u>1,623,995</u>	

	Year ended			
	30 June 2023	30 June 2023	30 June 2022	30 June 2022
UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	\$	CPU	\$	CPU
Distributions				
30 November	-	-	16,983,360	340.00
30 December	514,960	18.30	-	-
8 June	12,266,262	358.55	-	-
30 June (payable)	-	-	14,892,974	489.93
	<u>12,781,222</u>	<u>376.85</u>	<u>31,876,334</u>	<u>829.93</u>
Total distributions	<u>12,781,222</u>		<u>31,876,334</u>	

7 Cash and cash equivalents

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	As at		As at	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Cash at bank	165,603	439,087	39,753	454,741
Margin accounts	44,683	282,244	98,538	216,657
Total cash and cash equivalents	<u>210,286</u>	<u>721,331</u>	<u>138,291</u>	<u>671,398</u>

7 Cash and cash equivalents (continued)

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF) As at	
	30 June 2023	30 June 2022
	\$	\$
Cash at bank	197,569	305,768
Margin accounts	71,263	374,353
Total cash and cash equivalents	268,832	680,121

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF) As at		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF) As at	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Balances as above	210,286	721,331	138,291	671,398
Bank overdrafts	-	-	-	466,251
Balance per statement of cash flows	210,286	721,331	138,291	205,147

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF) As at	
	30 June 2023	30 June 2022
	\$	\$
Balances as above	268,832	680,121
Bank overdrafts	-	-
Balance per statement of cash flows	268,832	680,121

8 Financial assets at fair value through profit or loss

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	As at		As at	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Derivatives (Note 12)	2,696	86	-	2,354
Listed equities	42,852,421	97,773,271	3,074	4,399,548
Listed unit trusts	2,626,568	6,450,277	30	34,669
Total financial assets at fair value through profit or loss	45,481,685	104,223,634	3,104	4,436,571

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
	As at	
	30 June 2023	30 June 2022
	\$	\$
Derivatives (Note 12)	13,196	-
Listed equities	79,604,809	83,278,545
Listed unit trusts	1,573,396	2,054,693
Total financial assets at fair value through profit or loss	81,191,401	85,333,238

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in Note 13.

9 Financial liabilities at fair value through profit or loss

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	As at		As at	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Derivatives (Note 12)	-	9,450	1	33,930
Total financial liabilities at fair value through profit or loss	-	9,450	1	33,930

9 Financial liabilities at fair value through profit or loss (continued)

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
	As at	
	30 June 2023	30 June 2022
	\$	\$
Derivatives (Note 12)	99	19,620
Total financial liabilities at fair value through profit or loss	99	19,620

An overview of the risk exposures relating to financial liabilities at fair value through profit or loss is included in Note 13.

10 Receivables

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	As at		As at	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Interest receivables	29	-	279	18
Dividends receivable	281,938	523,272	17,146	39,460
Due from brokers - receivables for securities sold	7,202	-	-	277,600
Other receivables	2,930	3,742	9,627	11,334
Total receivables	292,099	527,014	27,052	328,412

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
	As at	
	30 June 2023	30 June 2022
	\$	\$
Interest receivables	228	9
Dividends receivable	191,406	196,124
Due from brokers - receivables for securities sold	1,412,748	-
Other receivables	2,646	3,427
Total receivables	1,607,028	199,560

11 Payables

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	As at		As at	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Responsible Entity's fees payable	4,265	9,051	608	1,590
Due to brokers - payable for securities purchased	121,063	61,699	-	-
Redemption Payable	-	-	163,397	-
Other payables	1,753	6,435	-	-
Total payables	127,081	77,185	164,005	1,590

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
	As at	
	30 June 2023	30 June 2022
	\$	\$
Responsible Entity's fees payable	7,481	7,120
Due to brokers - payable for securities purchased	-	-
Redemption Payable	1,390,000	-
Other payables	10,655	11,689
Total payables	1,408,136	18,809

12 Derivative financial instruments

In the normal course of business, the Funds enter into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require either no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments, such as futures. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and may include:

- hedging to protect an asset or liability of the Funds against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities;
- adjusting asset exposures within the parameters set in the investment strategy.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Funds.

The Funds hold the following derivative instruments:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are settled daily with the exchange. Index futures are contractual obligations to receive or pay a net amount based on changes in indices at a future date at a specified price, established in an organised financial market.

(b) Foreign currency contracts

Foreign currency contracts are used by the Funds for non-Australian dollar denominated trading activities to mitigate foreign exchange rate risks. The Funds agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Currency contracts are valued at the prevailing bid price at the end of each financial year. The Funds recognises a gain or loss equal to the change in fair value at the end of each financial year.

The Funds derivative financial instruments at year end are detailed below:

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)					
	30 June 2023			30 June 2022		
	Contract/ Notional	Assets	Liabilities	Contract/ Notional	Assets	Liabilities
	\$	\$	\$	\$	\$	\$
Australian share price index futures	355,300	2,650	-	1,139,775	-	9,450
Warrants	8,223	46	-	-	86	-
	<u>363,523</u>	<u>2,696</u>	<u>-</u>	<u>1,139,775</u>	<u>86</u>	<u>9,450</u>

12 Derivative financial instruments (continued)

UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)						
	30 June 2023			30 June 2022		
	Contract/ Notional	Assets	Liabilities	Contract/ Notional	Assets	Liabilities
	\$	\$	\$	\$	\$	\$
International share price index futures	-	-	-	498,645	-	33,893
Foreign currency contracts	918	-	1	123,906	2,317	37
Warrants	-	-	-	-	37	-
	918	-	1	622,551	2,354	33,930

UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)						
	30 June 2023			30 June 2022		
	Contract/ Notional	Assets	Liabilities	Contract/ Notional	Assets	Liabilities
	\$	\$	\$	\$	\$	\$
International share price index futures	391,452	11,401	-	794,362	-	19,620
Foreign currency contracts	1,443,000	1,795	99	-	-	-
	1,834,452	13,196	99	794,362	-	19,620

Risk exposures and fair value measurements

Information about the Funds' exposure to price risk, credit risk, foreign exchange risk, interest rate risk, liquidity risk and about the methods and assumptions used in determining fair values is provided in Note 13 to the financial statements. The maximum exposure to credit risk at the end of the year is the carrying amount of each class of derivative financial instruments disclosed above.

13 Financial risk management

The Funds' activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Funds' overall risk management programme focuses on ensuring compliance with the Funds' Product Disclosure Statements and seeks to maximise the returns derived for the level of risk to which the Funds are exposed. The Funds may use derivative financial instruments to manage certain risk exposures. Financial risk management is carried out by the Investment Manager under an Investment Mandate approved by the Board of Directors of the Responsible Entity ("the Board").

Compliance with the Funds' Constitutions are monitored on a daily basis and reported to the Board and Compliance Committee on a regular basis.

The Funds use different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of market risk.

13 Financial risk management (continued)

(a) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market prices. The Funds' equity investments are publicly traded and are included in their underlying Indexes.

(i) Price risk

The Funds are exposed to equity securities and derivative securities price risk. This arises from investments held by the Funds for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Investments are classified in the Statement of Financial Position as at fair value through profit or loss. All securities investments present a risk of loss of capital.

The tables below for respective Funds', summarise the sensitivity of the Funds' Profit/(loss) before finance costs attributable to unitholders and net assets attributable to unitholders to equity price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical correlation of the Funds' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds' invest. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	As at 30 June 2023		As at 30 June 2022	
	Increased by 10%	Decreased by 10%	Increased by 10%	Decreased by 10%
UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)	\$	\$	\$	\$
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>4,548,169</u>	<u>(4,548,169)</u>	<u>10,422,363</u>	<u>(10,422,363)</u>

The Fund tracks the MSCI Australia Domestic IMI Custom ex Tobacco ex Controversial Weapons (Gross Total Return Index). The index is designed to measure the performance of the large and mid-cap segments of the Australian equity market. With approximately 237 constituents, the Index covers approximately 99% of the free float-adjusted market capitalisation and weighted from a domestic investor perspective. The Index excludes companies with significant business activities involving tobacco and those engaged in the production of cluster bombs, and mines, chemical and biological weapons and depleted uranium weapons. Constituent selection is based on data from MSCI research.

	As at 30 June 2023		As at 30 June 2022	
	Increased by 10%	Decreased by 10%	Increased by 10%	Decreased by 10%
UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	\$	\$	\$	\$
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>310</u>	<u>(310)</u>	<u>443,657</u>	<u>(443,657)</u>

The Fund tracks the MSCI EM (Emerging Markets) ex Tobacco ex Controversial Weapons (Net Total Return Index). The index is designed to measure the performance of the MSCI Emerging Markets Index which captures large and mid-cap representation across 26 Emerging Markets (EM) countries. With 1,404 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

13 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The Index excludes companies with significant business activities involving tobacco and those engaged in the production of cluster bombs, landmines, chemical and biological weapons and depleted uranium weapons. Constituent selection is based on data from MSCI research.

	As at 30 June 2023		As at 30 June 2022	
	Increased by 10%	Decreased by 10%	Increased by 10%	Decreased by 10%
UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	\$	\$	\$	\$
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>8,119,140</u>	<u>(8,119,140)</u>	<u>8,533,324</u>	<u>(8,533,324)</u>

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The tables below summarise the Funds' assets and liabilities that are denominated in a currency other than the Australian dollar.

UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)

	Euro \$	Indian Rupee \$	Russian Rubles \$	US Dollars \$	All other foreign currencies \$
As at 30 June 2023					
Cash and cash equivalents	63,107	3,801	10,788	38,742	21,806
Receivables	172	7,067	3,155	308	12,805
Financial assets at fair value through profit or loss	-	-	-	-	3,104
Payables	(8)	1,744	(519)	(14)	(1,203)
Financial liabilities at fair value through profit or loss	-	-	-	-	(1)
	<u>63,271</u>	<u>12,612</u>	<u>13,424</u>	<u>39,036</u>	<u>36,511</u>
Foreign currency contracts exposure	-	-	-	(900)	900
Total net exposure	<u>63,271</u>	<u>12,612</u>	<u>13,424</u>	<u>38,136</u>	<u>37,411</u>

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	HongKong Dollar \$	Indian Rupee \$	New Taiwan Dollar \$	South Korean Won \$	All other foreign currencies \$
As at 30 June 2022					
Cash and cash equivalents	3,918	392,018	3,753	1,912	246,183
Receivables	14,676	9,566	17,391	-	283,190
Financial assets at fair value through profit or loss	1,453,518	599,745	673,804	556,408	1,153,096
Bank overdrafts	-	-	-	-	(466,251)
Payables	(978)	4,361	(2,969)	-	(420)
Financial liabilities at fair value through profit or loss	-	-	-	-	(33,930)
	<u>1,471,134</u>	<u>1,005,690</u>	<u>691,979</u>	<u>558,320</u>	<u>1,181,868</u>
Foreign currency contracts exposure	-	-	-	-	-
Total net exposure	<u>1,471,134</u>	<u>1,005,690</u>	<u>691,979</u>	<u>558,320</u>	<u>1,181,868</u>

UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)

	US Dollars \$	Euro \$	Japanese Yen \$	British Pounds \$	All other foreign currencies \$
As at 30 June 2023					
Cash and cash equivalents	189,607	29,485	18,354	3,009	28,119
Receivables	996,058	203,749	157,639	64,184	182,698
Financial assets at fair value through profit or loss	57,481,852	7,731,632	5,087,926	3,278,322	7,611,669
Payables	(5,812)	(733)	(619)	(67)	(864)
Financial liabilities at fair value through profit or loss	-	(1)	(13)	(30)	(55)
	<u>58,661,705</u>	<u>7,964,132</u>	<u>5,263,287</u>	<u>3,345,418</u>	<u>7,821,567</u>
Foreign currency contracts exposure	<u>(915,000)</u>	<u>(135,000)</u>	<u>(157,000)</u>	<u>(55,000)</u>	<u>(129,000)</u>
Total net exposure	<u>57,746,705</u>	<u>7,829,132</u>	<u>5,106,287</u>	<u>3,290,418</u>	<u>7,692,567</u>

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

As at 30 June 2022	US Dollars \$	Euro \$	Japanese Yen \$	British Pounds \$	All other foreign currencies \$
Cash and cash equivalents	286,498	140,730	84,131	99,844	62,063
Receivables	42,389	51,330	7,593	9,682	85,130
Financial assets at fair value through profit or loss	60,048,653	7,577,136	5,369,477	3,616,420	8,721,552
Payables	(6,635)	(727)	(776)	(60)	(930)
Financial liabilities at fair value through profit or loss	<u>(17,273)</u>	<u>(2,083)</u>	<u>-</u>	<u>(264)</u>	<u>-</u>
	<u>60,353,632</u>	<u>7,766,386</u>	<u>5,460,425</u>	<u>3,725,622</u>	<u>8,867,815</u>
Financial currency contracts exposure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net exposure	<u>60,353,632</u>	<u>7,766,386</u>	<u>5,460,425</u>	<u>3,725,622</u>	<u>8,867,815</u>

The tables below show the sensitivity of the Funds' Profit/(loss) before finance costs attributable to unitholders and net assets attributable to unitholders to interest rate risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical correlation of the Funds' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2023	30 June 2023
	\$	\$
AUD/EUR 2023 10%	6,327	(6,327)
AUD/INR 2023 10%	1,261	(1,261)
AUD/RUB 2023 10%	1,342	(1,342)
AUD/USD 2023 10%	3,814	(3,814)

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2022	30 June 2022
	\$	\$
AUD/HKD 2022 10%	147,113	(147,113)
AUD/INR 2022 10%	100,569	(100,569)
AUD/TWD 2022 10%	69,198	(69,198)
AUD/KRW 2022 10%	55,832	(55,832)

UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2023	30 June 2023
	\$	\$
AUD/USD 2023 10%	5,774,671	(5,774,671)
AUD/EUR 2023 10%	782,913	(782,913)
AUD/JPY 2023 10%	510,629	(510,629)
AUD/GBP 2023 10%	329,042	(329,042)

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2022	30 June 2022
	\$	\$
AUD/USD 2022 10%	6,035,363	(6,035,363)
AUD/EUR 2022 10%	776,639	(776,639)
AUD/JPY 2022 10%	546,043	(546,043)
AUD/GBP 2022 10%	372,562	(372,562)

The possible impact against other currencies not disclosed above is considered immaterial individually and therefore has not been included in the above table.

(iii) Interest rate risk

Interest rate risk is the risk that rate movements will have a negative impact on investment value or returns. Interest rate risk is managed in accordance with the underlying investment strategy of the Funds.

The Funds are exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Funds to fair value interest rate risk.

The Funds' interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The Funds have direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain entities in which the Funds invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model. Therefore, the sensitivity analysis within this note may not fully indicate the total effect on the Funds' net assets attributable to unitholders of future movements in interest rates.

Compliance with the value of cash investments held is monitored daily and reported to the Board and Compliance Committee on a regular basis.

The tables below summarise the Funds' exposure to interest rate risks.

UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)								
	30 June 2023			30 June 2022				
	Floating interest rate	Fixed interest rate	Non - interest bearing	Total	Floating interest rate	Fixed interest rate	Non - interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	210,286	-	-	210,286	721,331	-	-	721,331
Receivables	-	-	292,099	292,099	-	-	527,014	527,014
Financial assets at fair value through profit and loss	-	-	45,481,685	45,481,685	-	-	104,223,634	104,223,634
Total assets	210,286	-	45,773,784	45,984,070	721,331	-	104,750,648	105,471,979
Financial liabilities								
Distributions payable	-	-	(168,309)	(168,309)	-	-	(13,780,867)	(13,780,867)
Payables	-	-	(127,081)	(127,081)	-	-	(77,185)	(77,185)
Financial liabilities at fair value through profit and loss	-	-	-	-	-	-	(9,450)	(9,450)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(295,390)	(295,390)	-	-	(13,867,502)	(13,867,502)
Net assets attributable to unitholders	210,286	-	45,478,394	45,688,680	721,331	-	90,883,146	91,604,477

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)								
	30 June 2023			30 June 2022				
	Floating interest rate	Fixed interest rate	Non - interest bearing	Total	Floating interest rate	Fixed interest rate	Non - interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	138,291	-	-	138,291	671,398	-	-	671,398
Receivables	-	-	27,052	27,052	-	-	328,412	328,412
Financial assets at fair value through profit and loss	-	-	3,104	3,104	-	-	4,436,571	4,436,571
Total assets	138,291	-	30,156	168,447	671,398	-	4,764,983	5,436,381
Financial liabilities								
Bank overdrafts	-	-	-	-	(466,251)	-	-	(466,251)
Distributions payable	-	-	-	-	-	-	(746,937)	(746,937)
Payables	-	-	(164,005)	(164,005)	-	-	(1,590)	(1,590)
Financial liabilities at fair value through profit and loss	-	-	(1)	(1)	-	-	(33,930)	(33,930)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(164,006)	(164,006)	(466,251)	-	(782,457)	(1,248,708)
Net assets attributable to unitholders	138,291	-	(133,850)	4,441	205,147	-	3,982,526	4,187,673

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)				UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)			
	30 June 2023			Total	30 June 2022			Total
	Floating interest rate	Fixed interest rate	Non - interest bearing	Total	Floating interest rate	Fixed interest rate	Non - interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	268,832	-	-	268,832	680,121	-	-	680,121
Receivables	-	-	1,607,028	1,607,028	-	-	199,560	199,560
Financial assets at fair value through profit and loss	-	-	81,191,401	81,191,401	-	-	85,333,238	85,333,238
Total assets	268,832	-	82,798,429	83,067,261	680,121	-	85,532,798	86,212,919
Financial liabilities								
Distributions payable	-	-	-	-	-	-	(14,892,974)	(14,892,974)
Payables	-	-	(1,408,136)	(1,408,136)	-	-	(18,809)	(18,809)
Financial liabilities at fair value through profit and loss	-	-	(99)	(99)	-	-	(19,620)	(19,620)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(1,408,235)	(1,408,235)	-	-	(14,931,403)	(14,931,403)
Net assets attributable to unitholders	268,832	-	81,390,194	81,659,026	680,121	-	70,601,395	71,281,516

The sensitivity to interest rate risk on Cash and cash equivalents for all Funds is not considered to be material. An analysis of financial liabilities by maturities is provided in Note 13 (c).

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay its contractual obligations in full when they fall due, causing a financial loss to the Funds.

The Funds do not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Funds are exposed, arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount disclosed in the Statement of Financial Position.

(c) Liquidity risk

The Funds' listed securities are considered readily convertible to cash, as they are listed on various stock exchanges.

13 Financial risk management (continued)

(c) Liquidity risk (continued)

The Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a deterioration in the creditworthiness of any particular issuer or counterparty. No such investments were held at the end of the year (2022: Nil).

(i) Maturities of non-derivative financial liabilities

The tables below analyse the Funds' non-derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year end date. The amounts in the table are contractual undiscounted cash flows.

UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2023					
Distributions payable	168,309	-	-	-	-
Payables	127,081	-	-	-	-
Net assets attributable to unitholders	<u>45,688,680</u>	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	<u>45,984,070</u>	-	-	-	-
At 30 June 2022					
Distributions payable	13,780,867	-	-	-	-
Payables	77,185	-	-	-	-
Net assets attributable to unitholders	<u>91,604,477</u>	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	<u>105,462,529</u>	-	-	-	-

13 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities (continued)

UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2023					
Distributions payable	-	-	-	-	-
Payables	164,005	-	-	-	-
Net assets attributable to unitholders	4,441	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	168,446	-	-	-	-
At 30 June 2022					
Overdraft and cash equivalent	-	-	-	-	466,251
Distributions payable	746,937	-	-	-	-
Payables	1,590	-	-	-	-
Net assets attributable to unitholders	4,187,673	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	4,936,200	-	-	-	466,251

UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2023					
Distributions payable	-	-	-	-	-
Payables	1,408,136	-	-	-	-
Net assets attributable to unitholders	81,659,026	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	83,067,162	-	-	-	-
At 30 June 2022					
Distributions payable	14,892,974	-	-	-	-
Payables	18,809	-	-	-	-
Net assets attributable to unitholders	71,281,516	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	86,193,299	-	-	-	-

13 Financial risk management (continued)

(c) Liquidity risk (continued)

(ii) Maturities of net settled derivative financial instruments

The table below analyses the Funds' net settled derivative financial instruments for which the contractual maturities are considered to be essential to an understanding of the timing of cash flows based on the Funds' investment strategy.

UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2023					
Australian share price index futures - Inflows/(outflows)	-	2,650	-	-	-
At 30 June 2022					
Australian share price index futures - Inflows/(outflows)	-	(9,450)	-	-	-

UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2023					
Foreign currency contracts - Inflows/(outflows)	(1)	-	-	-	-
At 30 June 2022					
International share price index futures - Inflows/(outflows)	-	(33,893)	-	-	-
Foreign currency contracts - Inflows/(outflows)	2,280	-	-	-	-

UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2023					
International share price index futures - Inflows/(outflows)	-	11,401	-	-	-
Foreign currency contracts - Inflows/(outflows)	1,696	-	-	-	-
At 30 June 2022					
International share price index futures - Inflows/(outflows)	-	(19,620)	-	-	-

14 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the tables below.

UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)						
Financial assets	Effects of offsetting on the Statement of Financial Positions			Related amount not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$	\$	\$	\$	\$	\$
2023						
International share price index futures	2,650	-	2,650	-	-	2,650
Total	2,650	-	2,650	-	-	2,650
2022						
International share price index futures	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amount not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$	\$	\$	\$	\$	\$
2023						
Australian share price index futures	-	-	-	-	-	-
Total	-	-	-	-	-	-
2022						
Australian share price index futures	9,450	-	9,450	-	-	9,450
Total	9,450	-	9,450	-	-	9,450

14 Offsetting financial assets and financial liabilities (continued)

UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)		Effects of offsetting on the Statement of Financial Position			Related amount not offset		
		Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/ Received	Net Amount
Financial assets		\$	\$	\$	\$	\$	\$
2023							
Foreign currency contracts		919	(919)	-	-	-	-
Total		919	(919)	-	-	-	-
2022							
International share price index futures		18,093	(15,776)	2,317	-	-	2,317
Total		18,093	(15,776)	2,317	-	-	2,317
Financial liabilities		Effects of offsetting on the Statement of Financial Position			Related amount not offset		
		Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/ Received	Net Amount
		\$	\$	\$	\$	\$	\$
2023							
Foreign currency contracts		920	(919)	1	-	-	1
Total		920	(919)	1	-	-	1
2022							
International share price index futures		49,706	(15,776)	33,930	-	-	33,930
Total		49,706	(15,776)	33,930	-	-	33,930

14 Offsetting financial assets and financial liabilities (continued)

UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)		Effects of offsetting on the Statement of Financial Positions			Related amount not offset		
		Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/ Received	Net Amount
Financial assets		\$	\$	\$	\$	\$	\$
2023							
International share price index futures	1,440,526	(1,427,330)	13,196	(97)	-	13,099	
Total	1,440,526	(1,427,330)	13,196	(97)	-	13,099	
2022							
International share price index futures	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Financial liabilities		Effects of offsetting on the Statement of Financial Position			Related amount not offset		
		Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/ Received	Net Amount
		\$	\$	\$	\$	\$	\$
2023							
International share price index futures	1,427,429	(1,427,330)	99	(97)	-	2	
Total	1,427,429	(1,427,330)	99	(97)	-	2	
2022							
International share price index futures	19,620	-	19,620	-	-	19,620	
Total	19,620	-	19,620	-	-	19,620	

14 Offsetting financial assets and financial liabilities (continued)

(i) Master netting arrangement – currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default, insolvency or bankruptcy), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Funds presently have a legally enforceable right of set-off, these amounts have been offset in the Statement of Financial Position.

15 Fair value measurement

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVTPL) (see Note 8 and 9)
- Derivative financial instruments (see Note 12);

The Funds have no assets or liabilities measured at fair value on a non-recurring basis in the current financial year. The Funds are required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgement by the Funds. The Funds consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

All fair value measurement disclosed are recurring fair value measurements.

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and equity securities) are based on their quoted market prices at the close of trading at the end of the year without any deduction for estimated future selling costs. For the majority of investments, information provided by independent pricing services are relied upon for the valuation of investments.

Where the Funds do have financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it may elect to use the measurement exception provided in AASB 13 to measure the fair value of its net risk exposure by applying a price within the bid-ask spread to the net open position as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

15 Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the year applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the year. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed entities adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the year taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the reporting date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Funds' valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations. Where the last sale price does not fall within the bid-ask spread, an assessment is performed by the Responsible Entity to determine the appropriate valuation price to use that is most representative of fair value.

15 Fair value measurement (continued)

Recognised fair value measurement

The table below presents the Funds' financial assets and liabilities (by class) measured and recognised at fair value according to the fair value hierarchy at 30 June 2023 and 30 June 2022.

UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)								
	As at 30 June 2023				As at 30 June 2022			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss								
Australian share price index futures	2,650	-	-	2,650	-	-	-	-
Warrants	46	-	-	46	86	-	-	86
Listed equities	42,723,215	-	129,206	42,852,421	97,657,118	-	116,153	97,773,271
Listed unit trusts	2,626,568	-	-	2,626,568	6,450,277	-	-	6,450,277
Total	45,352,479	-	129,206	45,481,685	104,107,481	-	116,153	104,223,634
Financial liabilities at fair value through profit or loss								
Australian share price index futures	-	-	-	-	9,450	-	-	9,450
Total	-	-	-	-	9,450	-	-	9,450

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)								
	As at 30 June 2023				As at 30 June 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
Foreign currency contracts	-	-	-	-	-	2,317	-	2,317
Warrants	-	-	-	-	37	-	-	37
Listed equities	541	-	2,533	3,074	4,399,548	-	-	4,399,548
Listed unit trusts	30	-	-	30	34,669	-	-	34,669
Total	571	-	2,533	3,104	4,434,254	2,317	-	4,436,571
Financial liabilities at fair value through profit or loss								
International share price index futures	-	-	-	-	33,893	-	-	33,893
Foreign currency contracts	-	1	-	1	-	37	-	37
Total	-	1	-	1	33,893	37	-	33,930

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)							
	As at 30 June 2023				As at 30 June 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
International share price index futures	11,401	-	-	11,401	-	-	-	-
Foreign currency contracts	-	1,795	-	1,795	-	-	-	-
Listed equities	79,604,809	-	-	79,604,809	83,278,545	-	-	83,278,545
Listed unit trusts	1,573,396	-	-	1,573,396	2,054,693	-	-	2,054,693
Total	81,189,606	1,795	-	81,191,401	85,333,238	-	-	85,333,238
Financial liabilities at fair value through profit or loss								
International share price index futures	-	-	-	-	19,620	-	-	19,620
Foreign currency contracts	-	99	-	99	-	-	-	-
Total	-	99	-	99	19,620	-	-	19,620

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the year.

(i) Transfers between levels

The following table presents the transfers between levels for the year ended 30 June 2023. There have been no transfers between levels for the year ended 30 June 2022.

UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)	Level 1	Level 2	Level 3
As at 30 June 2023	\$	\$	\$
Transfers between levels 1 and 3:			
Equity securities	(13,053)	-	13,053
UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	Level 1	Level 2	Level 3
As at 30 June 2023	\$	\$	\$
Transfers between levels 1 and 3:			
Equity securities	(2,533)	-	2,533

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

(ii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the year ended 30 June 2023 and 30 June 2022 by class of financial instrument.

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)	UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)
	Equity Securities \$	Equity Securities \$
As at 30 June 2023		
Opening balance	116,153	-
Purchases	-	116,237
Sales	-	(116,237)
Transfers into/(out of) level 3	13,053	2,533
Gains and losses recognised in the Statement of comprehensive income	-	-
Closing balance	<u>129,206</u>	<u>2,533</u>
Total gains or losses for the year included in the Statement of comprehensive income for financial assets and liabilities at the end of the year	<u>-</u>	<u>837</u>
		UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)
		Equity Securities \$
As at 30 June 2023		
Opening balance		-
Purchases		-
Sales		-
Transfers into/(out of) level 3		-
Gains and losses recognised in the Statement of comprehensive income		-
Closing balance		<u>-</u>
Total gains or losses for the year included in the Statement of comprehensive income for financial assets and liabilities at the end of the year		<u>-</u>

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

(ii) Fair value measurements using significant unobservable inputs (level 3) (continued)

UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF) did not hold any financial instruments with fair value measurements using significant unobservable inputs for the year ended 30 June 2023.

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF) Equity Securities \$	UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF) Equity Securities \$
As at 30 June 2022		
Opening balance	-	-
Purchases	106,861	6,636
Sales	(25,370)	(2,174)
Transfers into/(out of) level 3	-	-
Gains and losses recognised in the Statement of comprehensive income	<u>34,662</u>	<u>(4,462)</u>
Closing balance	<u>116,153</u>	<u>-</u>
Total gains or losses for the year included in the Statement of comprehensive income for financial assets and liabilities at the end of the year	<u>27,093</u>	<u>(3,318)</u>
		UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF) Equity Securities \$
As at 30 June 2022		
Opening balance		1,278
Purchases		-
Sales		-
Transfers into/(out of) level 3		-
Gains and losses recognised in the Statement of comprehensive income		<u>(1,278)</u>
Closing balance		<u>-</u>
Total gains or losses for the year included in the Statement of comprehensive income for financial assets and liabilities at the end of the year		<u>(1,278)</u>

16 Other expenses

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	Year Ended		Year Ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	\$	\$	\$	\$
Withholding taxes	2,918	13,249	24,025	40,663
Other expenses	-	2,156	31,749	6,536
Total Other expenses	2,918	15,405	55,774	47,199

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
	Year Ended	
	30 June	30 June
	2023	2022
	\$	\$
Withholding taxes	221,018	342,573
Other expenses	499	13,684
Total Other expenses	221,517	356,257

17 Related party transactions

Responsible Entity

The Responsible Entity of the Funds is UBS Asset Management (Australia) Ltd, whose immediate and ultimate holding company is UBS AG, a publicly listed company incorporated in Switzerland.

Key management personnel

(a) Directors

Key management personnel includes persons who were directors of UBS Asset Management (Australia) Ltd at any time during the year and up to the date of this report:

A Telfer, Chairman
G W Rice
N A Hughes
J Benady (Appointed 20 September 2022)
J Pieterse (Appointed 20 September 2022, Resigned 18 August 2023)
C Charnock (Appointed 25 September 2023)

Other transactions within the Funds

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Funds during the year and there were no material contracts involving key management personnel's interests existing at the end of the year.

17 Related party transactions (continued)

Responsible Entity's fees and other transactions

The Responsible Entity's fees paid and payable for administrating and managing the Funds in accordance with the Funds' Product Disclosure Statements for the year ended 30 June 2023 and 30 June 2022 are listed in the table below.

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	Year ended		Year ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year	71,501	140,625	15,190	32,411
Aggregate amounts payable to the Responsible Entity at the end of the year	4,265	9,051	608	1,590
			UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
			Year ended	
			30 June 2023	30 June 2022
			\$	\$
Responsible Entity's fees paid and payable for the year			113,109	214,490
Aggregate amounts payable to the Responsible Entity at the end of the year			7,481	7,120

Relationship with UBS AG Australia Branch and UBS Securities Australia Limited

On a non-exclusive basis, the Responsible Entity uses the services of UBS AG Australia Branch, a related company, for futures trading, futures clearing and underwriting services. The Responsible Entity also uses the services of UBS Securities Australia Limited, a related company for equity broking services.

The Responsible Entity has appointed the related entities on an arm's length commercial basis. Fees paid to the related companies for their services are on normal commercial terms and conditions.

17 Related party transactions (continued)

Relationship with UBS AG Australia Branch and UBS Securities Australia Limited (continued)

Related party unitholdings

Parties related to the Funds (including UBS Asset Management (Australia) Ltd, its related parties and other funds managed by UBS Asset Management (Australia) Ltd), are recorded below.

UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)

30 June 2023

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
UBS Tactical Beta Fund - Conservative	130,927	-	-	-	32,549	163,476	95,145
UBS Tactical Beta Fund - Balanced	401,457	-	-	-	93,426	494,883	552,062
UBS Tactical Beta Fund - Growth	786,441	-	-	-	187,859	974,300	1,667,567
UBS Balanced Investment Fund	3,762,920	2,641,543	43,416,321	95.00	820,968	1,942,345	7,585,662
UBS Defensive Investment Fund	259,608	139,144	2,286,972	5.00	64,526	184,990	435,548
Total	5,341,353	2,780,687	45,703,293		1,199,328	3,759,994	10,335,984

30 June 2022

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
UBS Tactical Beta Fund - Conservative	358,851	130,927	2,246,183	2.45	34,628	262,552	732,032
UBS Tactical Beta Fund - Balanced	1,134,607	401,457	6,887,380	7.52	108,073	841,223	2,243,429
UBS Tactical Beta Fund - Growth	1,532,695	786,441	13,492,163	14.72	214,575	960,829	3,735,992
UBS Balanced Investment Fund	2,873,321	3,762,920	64,556,518	70.45	1,336,796	447,197	14,112,210
UBS Defensive Investment Fund	289,685	259,608	4,453,833	4.86	61,663	91,740	1,007,369
Total	6,189,159	5,341,353	91,636,077		1,755,735	2,603,541	21,831,032

17 Related party transactions (continued)

Related party unitholdings (continued)

UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF) 30 June 2023

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
UBS Tactical Beta Fund - Conservative	43,464	-	-	-	9,021	52,485	27,074
UBS Tactical Beta Fund - Balanced	54,896	-	-	-	55,612	110,508	59,369
UBS Tactical Beta Fund - Growth	104,720	-	-	-	73,764	178,484	119,076
Total	203,080	-	-		138,397	341,477	205,519

30 June 2022

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
UBS Tactical Beta Fund - Conservative	96,464	43,464	899,106	21.40	13,941	66,941	291,776
UBS Tactical Beta Fund - Balanced	227,690	54,896	1,135,602	27.03	40,092	212,886	522,919
UBS Tactical Beta Fund - Growth	265,237	104,720	2,166,267	51.57	91,573	252,090	809,299
Total	589,391	203,080	4,200,975		145,606	531,917	1,623,994

17 Related party transactions (continued)

Related party unitholdings (continued)

UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF) 30 June 2023

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
UBS Tactical Beta Fund - Balanced	392,115	253,987	6,321,048	7.74	202,212	340,340	1,039,193
UBS Tactical Beta Fund - Growth	818,357	405,924	10,102,341	12.37	306,517	718,950	3,174,065
UBS Tactical Beta Fund - Conservative	93,394	55,198	1,373,740	1.68	75,988	114,184	280,247
UBS Balanced Investment Fund	1,154,834	1,753,912	43,650,127	53.43	1,465,114	866,036	5,621,179
Total	2,458,700	2,469,021	61,447,256		2,049,831	2,039,510	10,114,684

30 June 2022

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
UBS Tactical Beta Fund - Balanced	1,155,257	392,115	9,193,999	12.90	64,701	827,843	5,342,071
UBS Tactical Beta Fund - Growth	1,689,240	818,357	19,188,207	26.92	170,903	1,041,786	9,282,393
UBS Tactical Beta Fund - Conservative	301,487	93,394	2,189,823	3.07	13,015	221,108	1,374,478
UBS Balanced Investment Fund	1,857,066	1,154,834	27,077,643	37.99	310,935	1,013,167	10,957,426
Total	5,003,050	2,458,700	57,649,672		559,554	3,103,904	26,956,368

Other transactions within the Funds

From time to time directors of UBS Investment Funds, or their director related entities, may invest in or withdraw from the Funds. These investments or withdrawals are on the same terms and conditions as those entered into by other Funds' investors and are trivial in nature.

18 Segment information

The Funds are organised into one main segment which operates solely in the business of investment management within Australia.

The Funds operate in Australia and hold investments in Australia and globally.

19 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	UBS Australia Index Fund (formerly UBS IQ MSCI Australia Ethical ETF)		UBS Emerging Markets Index Fund (formerly UBS IQ MSCI Asia APEX 50 Ethical ETF)	
	Year ended		Year ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	\$	\$
(a) Reconciliation of profit to net cash inflow from operating activities				
Increase/(decrease) in net assets attributable to unitholders	1,754,146	(27,612,440)	130,882	(3,973,737)
Distributions to unitholders	10,335,984	21,831,032	205,519	1,623,995
Proceeds from sale of financial instruments at fair value through profit or loss	75,748,901	70,873,017	7,031,966	14,932,962
Purchase of financial instruments at fair value through profit or loss	(8,052,995)	(41,039,337)	(2,164,406)	(2,077,512)
Effects of foreign exchange changes on cash and cash equivalents	-	-	3,090	22,368
Dividends/Trust distributions reinvested	(6,619)	(19,737)	(30,245)	(15,416)
Net (gains)/losses on financial instruments at fair value through profit or loss	(8,904,626)	13,005,658	(160,177)	2,590,831
Net change in receivables	242,117	53,728	23,760	9,998
Net change in payables	(9,468)	22,535	(982)	(79,480)
Net cash inflow from operating activities	71,107,440	37,114,456	5,039,407	13,034,009
(b) Components of cash and cash equivalents				
Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:				
Cash and cash equivalents	210,286	721,331	138,291	205,147
(c) Non-cash financing activities				
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan				
	12,211,040	15,846,727	952,456	2,691,411

19 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	UBS World ex Australia Index Fund (formerly UBS IQ MSCI World ex Australia Ethical ETF)	
	Year ended	
	30 June 2023	30 June 2022
	\$	\$
(a) Reconciliation of profit to net cash inflow from operating activities		
Increase/(decrease) in net assets attributable to unitholders	3,554,534	(31,101,539)
Distributions to unitholders	12,781,222	31,876,334
Proceeds from sale of financial instruments at fair value through profit or loss	62,110,534	115,451,215
Purchase of financial instruments at fair value through profit or loss	(44,086,781)	(7,724,614)
Effects of foreign exchange changes on cash and cash equivalents	3,893	2,513
Dividends/Trust distributions reinvested	(39,441)	(24,657)
Net (gains)/losses on financial instruments at fair value through profit or loss	(15,274,744)	886,481
Net change in receivables	5,280	53,703
Net change in payables	(673)	(20,390)
Net cash inflow from operating activities	19,053,824	109,399,046
(b) Components of cash and cash equivalents		
Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:		
Cash and cash equivalents	<u>268,832</u>	<u>680,121</u>
(c) Non-cash financing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	<u>15,488,002</u>	<u>15,442,741</u>

20 Events occurring after the reporting date

On 13 June 2023, the directors resolved to terminate the Funds and following 60 days termination notice period ending on the termination date 14 August 2023 to wind up the Funds. Therefore, the Funds will terminate operations in accordance with the Constitution and will commence the winding up on 14 August 2023.

No other significant events have occurred since the end of the financial year which would impact on the financial position of the Funds disclosed in the Statements of Financial Position as at 30 June 2023 (30 June 2022: Nil) or on the results and cash flows of the Funds for the financial year ended on that date.

21 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2023 (30 June 2022: Nil).

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 7 to 58 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Funds' financial position as at 30 June 2023 and of their performance, as represented by the results of their operations and cash flows, for the year ended on that date.
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.
- (c) the financial statements are in accordance with the Funds' Constitutions.
- (d) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in Note 2(a).

This declaration is made in accordance with a resolution of the directors.



A Telfer
Chairman



G W Rice
Director

Sydney
25 September 2023



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working world**

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Independent auditor's report to the unitholders of UBS Investment Funds

To the following UBS Investment Funds (the "Funds")

- ▶ UBS Australia Index Fund
- ▶ UBS Emerging Markets Index Fund
- ▶ UBS World ex Australia Index Fund

Opinion

We have audited the financial report of the above Funds, which comprises the Statement of Financial Position as at 30 June 2023, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the Directors' Declaration.

In our opinion, the accompanying financial report of the Funds is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Funds' financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Funds in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (*including Independence Standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw to Note 2 of the financial report, which describes the basis of accounting. It is the Directors' intention to wind up the Funds prior to the next year end. As a result, the financial report has been prepared on a liquidation basis. Our opinion is not modified in respect to this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors of UBS Asset Management (Australia) Ltd as Responsible Entity of the Funds are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Elliott Shadforth'.

Elliott Shadforth
Partner
Sydney
25 September 2023