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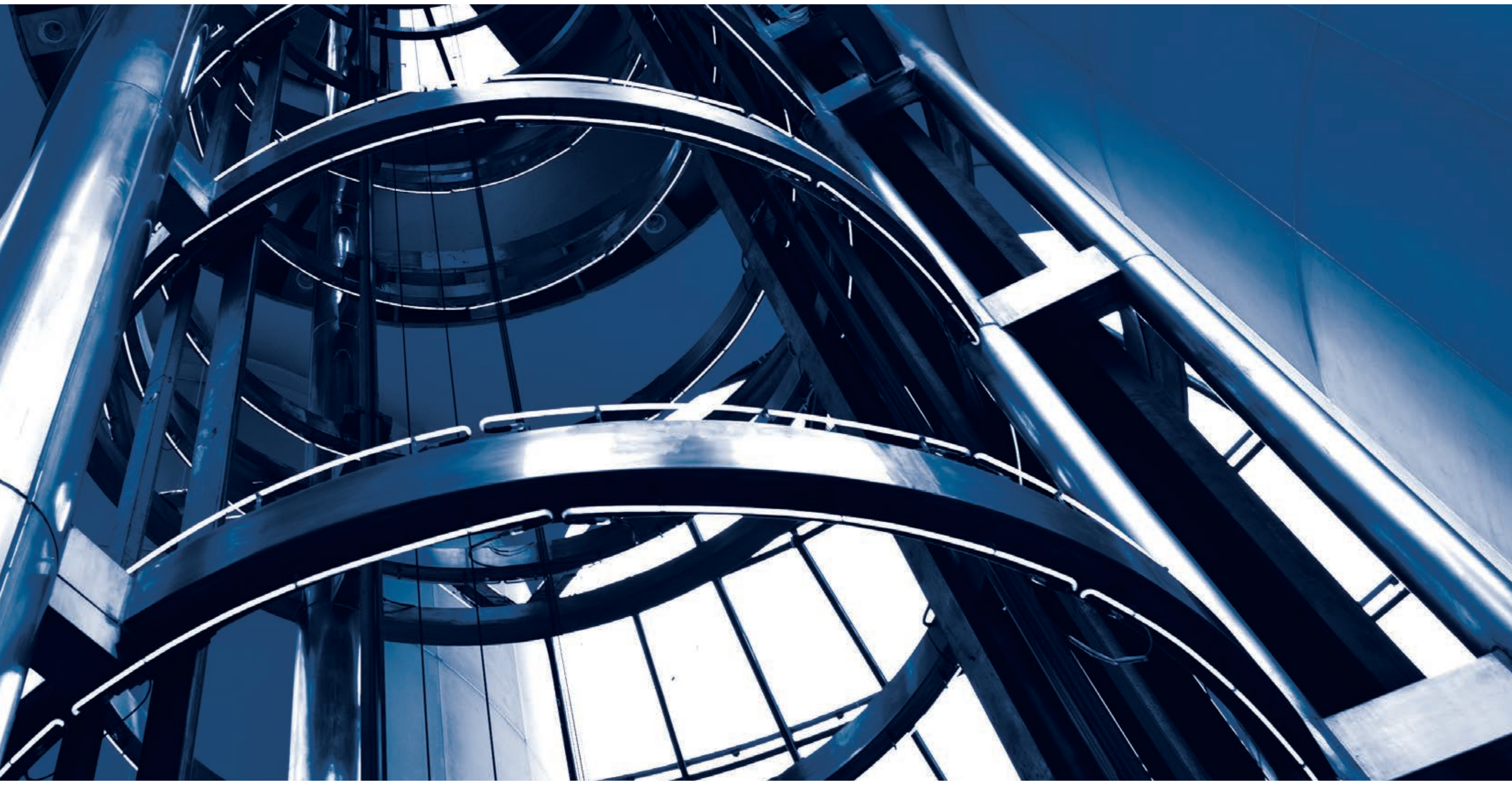
Antares Inflation Linked Bond Fund

ARSN 149 088 380

Financial Report

For the period ending 30 June 2022



MLC ASSET MANAGEMENT

Antares Inflation Linked Bond Fund
(ARSN 149 088 380)

Annual Report for the financial year ended 30 June 2022

Contents of Annual Report

The Directors of Antares Capital Partners Limited (ACP), the Responsible Entity of Antares Inflation Linked Bond Fund (the 'Scheme'), present their report together with the financial report of the Scheme for the year ended 30 June 2022, and the report of the auditor of the Scheme.

Responsible Entity

The Responsible Entity of the Scheme is Antares Capital Partners Limited. As at reporting date, the registered office and principal place of business of the Responsible Entity and the Scheme is '30 The Bond' Level 3, 30 Hickson Road, Millers Point NSW 2000.

The Directors of Antares Capital Partners Limited during or since the end of the financial year are:

Name	Position Held	Date Appointed
K A Watt	Independent Non-Executive Director, Chair	Appointed 5 December 2016
M A Joiner	Independent Non-Executive Director	Appointed 1 January 2021
G J Mulcahy	Executive Director	Appointed 7 July 2014
J Selak	Independent Non-Executive Director	Appointed 31 May 2021

Principal activities

The Scheme is an unlisted registered managed investment scheme domiciled in Australia.

The Scheme invests in accordance with the investment policy of the Scheme as set out in its Product Disclosure Statement (PDS) or investment mandate and in accordance with the Scheme's Constitution. The key asset categories are interest bearing securities and derivatives.

The Scheme did not have any employees during the year (2021: Nil).

Review of operations and results

The Scheme continues to invest in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

The results of operation of the Scheme are disclosed in the Statement of Comprehensive Income.

The income distributions payable by the Scheme is disclosed in the Statement of Financial Position.

The distributions to unitholders by the Scheme are disclosed in the Statement of Changes in Equity.

For details in relation to the performance of the Scheme, information can be obtained from the website at https://www.antarescapital.com.au/home/prices-and-performance/fixed-income-performance.

Significant changes in the state of affairs

Name change of IOOF Holdings Ltd:

The Responsible Entity's ultimate parent entity IOOF Holdings Ltd has changed its name to Insignia Financial Ltd effective 9 December 2021.

Appointment of auditor:

In accordance with the Board resolution on 11 November 2021, KPMG was appointed auditor for the Scheme replacing Ernst & Young.

In the opinion of the Responsible Entity, there were no other significant changes in the state of affairs of the Scheme that occurred during the year unless otherwise disclosed.

Events subsequent to balance date

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Scheme disclosed in the Statement of Financial Position as at 30 June 2022 or on the results and cash flows of the Scheme for the financial year ended on that date.

Likely developments and expected results of operations

The Scheme will continue to pursue its investment policies as outlined in the PDS or investment mandate. The results of the Scheme will be affected by a number of factors, including the performance of investment markets in which the Scheme invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information has not been included in this report to avoid the disclosure of information that may result in unreasonable prejudice to the Scheme.

Indemnification and insurance of officers and auditors

The Scheme has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an officer of the Responsible Entity or an auditor of the Scheme during the year. Subject to the relevant Scheme's constitution and relevant law, the Responsibility Entity is entitled to be indemnified out of the assets of the Scheme for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Scheme. The auditor of the Scheme is in no way indemnified out of the assets of the Scheme.

The ultimate parent company of the Responsible Entity, Insignia Financial Ltd, has paid or agreed to pay insurance premiums in respect of the Responsible Entity's officers for liability, legal expenses, insurance contracts, and premiums in respect of such insurance contracts, for the financial year ended 30 June 2022. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the officers of the Responsible Entity. Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

Fees paid to and investments held by the Responsible Entity or its associates

Fees paid and payable to the Responsible Entity and its associates out of the Scheme's property during the year are disclosed in Note 7.4 Responsible Entity fees.

No fees were paid out of the Scheme's property to the Directors of the Responsible Entity during the year. Related party investments held in the Scheme as at the end of the financial year are disclosed in Note 7 Related parties.

Interests in the Scheme

The movements in units on issue in the Scheme during the year are disclosed in the Statement of Changes in Equity.

The value of the Scheme's assets and liabilities are disclosed in the Statement of Financial Position and derived using the basis set out in Note 2 Basis of preparation.

Environmental regulation

The operation of the Scheme is not subject to any significant environmental regulation under Commonwealth, State or Territory law.

Rounding

The Scheme meets the criteria set out in *Corporations Instrument 2016/191* issued by the Australian Securities and Investments Commission, and in accordance with that Corporations Instrument, amounts in the financial report and the Directors' Report have been rounded off to the nearest thousand dollars unless otherwise stated.

Lead auditor's independence declaration

The lead auditor's independence declaration, as required under section 307C of the *Corporations Act 2001,* is set out on page 26 and forms part of the Directors' Report for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors of Antares Capital Partners Limited.

Kathryn Watt

Kathryn Watt
Director
Melbourne
13 September 2022

	Note	30 June 2022 $'000	30 June 2021 $'000
Assets			
Cash and cash equivalents	**5.2**	1,076	1,570
Margin accounts		385	435
Receivables		71	110
Financial assets held at fair value through profit or loss	**4.1**	58,352	94,722
Total assets		**59,884**	**96,837**
Liabilities			
Distribution payable		412	2,369
Payables		11	19
Financial liabilities held at fair value through profit or loss	**4.2**	1	200
Total liabilities		**424**	**2,588**
Net assets attributable to unitholders - Equity		**59,460**	**94,249**

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

Financial Report
Statement of Comprehensive Income
for the financial year ended 30 June 2022

	Note	30 June 2022 $'000	30 June 2021 $'000
Investment income			
Interest income		1,691	1,986
Net change in fair value of investments		(4,426)	2,601
Total investment income/(loss)		**(2,735)**	**4,587**
Expenses			
Responsible Entity fees	**7.4**	257	302
Other expenses		5	3
Total operating expenses		**262**	**305**
Operating profit/(loss)		(2,997)	4,282
Other comprehensive income		**-**	**-**
Total comprehensive income/(loss) for the year		**(2,997)**	**4,282**

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

	Note	30 June 2022 $'000	30 June 2021 $'000
Total equity at the beginning of the financial year		94,249	118,192
Total comprehensive income/(loss) for the year		(2,997)	4,282
Transactions with unitholders			
Applications		23,467	9,223
Redemptions		(53,627)	(33,711)
Distributions paid and payable		(1,632)	(3,737)
Total transactions with unitholders		**(31,792)**	**(28,225)**
Total Equity at the end of the financial year		**59,460**	**94,249**

	Note	30 June 2022 Units '000	30 June 2021 Units '000
Opening balance		86,786	109,087
Applications		21,564	8,388
Redemptions		(49,503)	(30,689)
Closing balance		**58,847**	**86,786**
Cents per Unit (CPU)		**2.39**	**4.33**

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

	Note	30 June 2022 $'000	30 June 2021 $'000
Cash flows from operating activities:			
Interest received		1,730	2,057
Operating expenses paid		(269)	(309)
Net movement in margin accounts		50	(50)
Proceeds from sale of investments		94,094	68,050
Purchase of investments		(62,350)	(43,102)
Net cash inflow/(outflow) from operating activities	**5.1**	**33,255**	**26,646**
Cash flows from financing activities:			
Proceeds from application of units		20,084	6,800
Payments for redemption of units		(53,627)	(33,711)
Distributions paid		(206)	(14)
Net cash inflow/(outflow) from financing activities		**(33,749)**	**(26,925)**
Net increase/(decrease) in cash and cash equivalents		(494)	(229)
Cash and cash equivalents at the beginning of the financial year		1,570	1,799
Cash and cash equivalents at the end of the year	**5.2**	**1,076**	**1,570**

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

1. Reporting entity

The Scheme included in these financial statements is a registered Managed Investment Scheme under the *Corporations Act 2001.* The financial statements of the Scheme are for the financial year ended 30 June 2022.

The financial statements were authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 13 September 2022.

2. Basis of preparation

The Statement of Financial Position are prepared on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

2.1 Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.* The financial statements of the Scheme also comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

2.2 Basis of consolidation

The Scheme continued to meet the definition of investment entities under the definition of AASB 10 *Consolidated Financial Statements* as the following criteria are met:

• The Scheme obtains and manages funds for the purpose of providing investors of the Scheme with investment management services;
• The Scheme has committed to its investors that its business purpose is to invest funds solely for return from capital appreciation and investment income; and
• The Scheme measures and evaluates the performance of its investments on a fair value basis.

As such, the Scheme does not consolidate any entities.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for:

• financial assets and liabilities held at fair value through profit or loss, which are measured at fair value; and
• other financial liabilities and term deposits, which are measured at amortised cost.

2.4 Functional and presentation currency

Items included in the Scheme's financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme's presentation currency.

2.5 Use of estimates and judgements

The preparation of the financial statements which are in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities. The estimates and associated assumptions can refer to historical experience and various other factors that are believed to be reasonable using market participant assumptions in the current market environment based on what is known and knowable at the measurement date. The results of which forms the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Note 6.5 Valuation of financial instruments contains information about the estimation of fair values of financial instruments.

2.6 Going concern

The financial statements have been prepared on a going concern basis.

2.7 Changes in accounting policies

There were no changes in the accounting policies of the Scheme during the financial year.

2.8 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Scheme.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

3.1 Foreign currency translation

Foreign currency transactions are translated to Australian dollars at the rates of exchange prevailing at the dates of transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the reporting date. Unrealised foreign exchange gains or losses, arising in translation of assets and liabilities denominated in foreign currencies at reporting date, are recognised as part of the ‘Net change in fair value of investments’ in the Statement of Comprehensive Income. Realised gains and losses on amounts denominated in foreign currencies are also brought to account as part of ‘Net change in fair value of investments’ in the Statement of Comprehensive Income and as 'Realised foreign exchange gains/(losses)' in the Statement of Cash Flows.

3.2 Financial instruments

3.2.1 Recognition and initial measurement

Financial assets and liabilities held at fair value through profit or loss are recognised initially on the trade date at which the Scheme becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the due date they originated.

Financial assets and financial liabilities held at fair value through the profit or loss are measured initially at fair value, with transaction costs recognised in the Statement of Comprehensive Income. Financial assets or liabilities not held at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

3.2.2 Derecognition

The Scheme derecognises financial assets when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and the transfer qualifies for derecognition in accordance with AASB 9 *Financial Instruments.*

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

When there is objective evidence that the Scheme will not be able to collect all amounts due according to the original terms of the receivable, the Scheme will write off the amount by reducing the carrying amount directly in the Statement of Financial Position and also recognise a loss or other expense in the Statement of Comprehensive Income.

3.2.3 Classification

Financial assets and financial liabilities held at fair value through profit or loss are those that meet the definition of held for trading in AASB 9 *Financial Instruments.* These include investments in equity instruments, interest bearing securities, derivatives and units in exchange traded funds (ETFs), listed and unlisted unit trusts.

Financial assets measured at amortised cost include cash and cash equivalents and term deposits. Financial liabilities measured at amortised cost include balances due to brokers and accounts payable.

3.2.4 Measurement

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

Financial liabilities and term deposits, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

Refer to Note 6.5 Valuation of financial instruments for additional disclosures.

3.2.5 Fair value measurement principles

The Scheme has adopted AASB 13 *Fair Value Measurement* and as a result the Scheme has adopted the definition of fair value as set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Scheme has access at that date.

The prices used to value investments include, but are not limited to:

• independent prices obtained for each security;
• quoted 'bid' prices on long securities and quoted 'ask' prices on securities sold short; and
• net asset value prices published by the relevant Responsible Entity, for investments into unlisted unit trusts.

In accordance with the Constitution, the Scheme is contractually obliged to redeem units at redemption price, which includes an allowance for transaction costs that would be incurred by the Scheme on disposal of assets required to fund the redemptions. Where a transaction cost factor has been incurred, there will be a difference between the carrying amount of the net assets of the Scheme (excluding the unitholders' funds classified as equity) and the contractual amount payable to unitholders which is based on the redemption price.

When applicable, the Scheme measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Scheme uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

3.2.6 Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Scheme has a legal right to offset the amounts and it intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Refer to Note 6.2.8 Offsetting financial assets and financial liabilities for additional disclosures.

Income and expenses are presented on a net basis only when permitted under AASBs, e.g. for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments held at fair value through profit or loss.

3.2.7 Derivative financial instruments

The Scheme uses derivative financial instruments to hedge its exposure to credit, interest rate, foreign exchange and price risks arising from investment activities. In accordance with its investment strategy, the Scheme holds or issues derivative financial instruments for hedging purposes.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the Statement of Comprehensive Income. The Scheme does not apply hedge accounting.

<u>Futures contracts</u>

Futures contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price established on an organised market. Futures contracts are collateralised by cash and cash equivalents or by other assets (“initial margin”). Subsequent payments, known as "variation margin", are made or received by the Scheme each day, depending on the daily fluctuations in the fair value of the underlying security. The futures contracts are marked to market daily.

3.3 Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents may include cash at bank, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the Statement of Financial Position but are included within cash and cash equivalents for cash flow purposes.

3.4 Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls.

3.5 Outstanding settlements

Unsettled sales are amounts due from brokers for securities sold that have not been received at reporting date. Trades are recorded on trade date, and normally settle within three business days.

Unsettled purchases are amounts due to brokers for securities purchased that have not been paid at reporting date. Trades are recorded on trade date and normally settle within three business days.

3.6 Receivables

Receivables are measured at transaction price and may include amounts for accrued income and other receivables such as Reduced Input Tax Credits (RITC).

Accrued income may include amounts for dividends, trust distributions, interest income and compensation income. Amounts are generally received within 30 days of being recorded as receivables. RITC is the amount of Goods and Service Tax (GST) recoverable from the Australian Taxation Office (ATO).

3.7 Distribution payables

The distribution payable to unitholders as at the reporting date is recognised separately in the Statement of Financial Position as unitholders are presently entitled to the distributable income as at 30 June 2022 under the Scheme’s Constitution.

3.8 Payables

Payables may include amounts for accrued expenses and other payables such as GST.

Accrued expenses include Responsible Entity fees payable.

3.9 Net assets attributable to unitholders

The amount of net assets attributable to unitholders can change significantly on a daily basis as the Scheme is subject to daily applications and redemptions at the discretion of unitholders. The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Scheme. Under the terms of the Scheme's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

In order to maintain or adjust the capital structure, the Responsible Entity may return capital to unitholders. The Scheme does not have any externally imposed capital requirements. The units can be put back to the Scheme at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units from the Scheme.

Under AASB 132 *Financial Instruments: Presentation,* puttable financial instruments are classified as equity where the following criteria are met:

• the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Scheme's 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 Scheme, and it is not a contract settled in the Scheme's 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.

The above criteria are satisfied for Scheme with a single unit class and net assets attributable to unitholders are classified as equity. Movements of net assets attributable to unitholders are disclosed in the Statement of Changes in Equity.

3.10 Terms and conditions of units

The Scheme included in these financial statements has a single unit class.

All units of a class issued by the Scheme will be of an equal value and confer identical interests and rights to, and be subject to the same conditions as, all other units in that class. A unit does not confer any interest in any particular asset or investment of the Scheme. Unitholders have various rights under the Constitutions and the *Corporations Act 2001,* including the right to:

• have their units redeemed;
• accumulate income, which is reflected in the unit price;
• attend and vote at meetings of unitholders; and
• participate in the termination and winding up of the Scheme.

3.11 Interest income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

Interest income from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

3.12 Net change in fair value of investments

Changes in the fair value of investments are net gains or losses recognised in relation to financial assets and liabilities at fair value through profit or loss. Changes are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or initial fair value (if the investment was acquired during the year).

3.13 Expenses

All expenses, including Responsible Entity fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

Interest expense is interest accrued on overdraft balances held during the financial year.

3.14 Foreign exchange gains and losses

Foreign exchange gains and losses on financial assets and financial liabilities held at fair value through profit or loss are recognised together with other changes in the fair value. Included in the profit or loss line item are net foreign exchange gains or losses on monetary financial assets and financial liabilities other than those classified at fair value through profit or loss.

3.15 Distributions to unitholders

Distributions are payable as set out in the Scheme's Product Disclosure Statements. Distributions are determined by the Responsible Entity in accordance with the Scheme's Constitution and applicable tax legislation.

Financial instruments held at fair value may include unrealised capital gains or losses. Unrealised gains or losses that are recognised as 'profit or loss from operating activities' are transferred to net assets attributable to unitholders and are not assessable and do not impact distributions until realised.

Under AASB 132 *Financial Instruments: Presentation,* the Scheme that has single class disclose distributions paid and payable in the Statement of Changes in Equity.

Distributions paid are included in cash flows from financing activities in the Statement of Cash Flows.

3.16 Taxation

Under the Attribution Managed Investment Trust ("AMIT") tax regime, the Scheme is not subject to income tax as taxable income (including assessable realised capital gains) is attributed in full to the unitholders. The Scheme fully attributes its taxable income which is calculated in accordance with the Scheme's Constitution and applicable taxation legislation, to the unitholders on a fair and reasonable basis consistent with their rights.

Net realised capital losses are not distributed to unitholders, but are retained to be offset against any future realised capital gains. Where realised assessable capital gains exceed realised capital losses, the excess will be distributed and attributed to unitholders as assessable income for taxation purposes.

The benefits of imputation credits and foreign taxes paid are passed on to unitholders.

3.17 Goods and services tax

Expenses incurred by the Scheme are recognised net of the amount of GST recoverable from the ATO as Reduced Input Tax Credit.

Payables are stated with the amount of GST included. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position. GST are included in the Statement of Cash Flows on a gross basis.

4. Financial assets and liabilities

The tables below detail the categories of the financial assets and liabilities held by the Scheme at the reporting date:

	30 June 2022	30 June 2021
	$'000	$'000
4.1 Financial assets held at fair value through profit or loss		
Interest bearing securities	58,352	94,519
Derivative assets	-	203
Total financial assets held at fair value through profit or loss	**58,352**	**94,722**
4.2 Financial liabilities held at fair value through profit or loss		
Derivative liabilities	1	200
Total financial liabilities held at fair value through profit or loss	**1**	**200**

5. Reconciliation of cash flows from operating activities

The tables below detail the reconciliation of cash flows from operating activities for the year. For the purpose of the Statement of Cash Flows, cash includes cash at bank and short term deposits at call. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position.

	30 June 2022	30 June 2021
	$'000	$'000
5.1 Operating profit/(loss) for the year	(2,997)	4,282
Adjustment for net realised and unrealised (gains)/losses on:		
Change in fair value of investments	4,426	(2,601)
Changes in operating assets and liabilities:		
Proceeds from sale of investments	94,094	68,050
Purchase of investments	(62,350)	(43,102)
Net change in margin accounts	50	(50)
(Increase)/decrease in receivables	39	71
Increase/(decrease) in payables	(7)	(4)
Net cash inflow/(outflow) from operating activities	**33,255**	**26,646**
5.2 Cash and cash equivalent		
Cash at bank	224	938
Deposits at call	852	632
Cash and cash equivalent	**1,076**	**1,570**
5.3 Non-cash operating and financing activities		
Distributions reinvested by unitholders in additional scheme units	3,383	2,423

6. Financial risk management

6.1 Introduction and overview

The Scheme is exposed to a variety of financial risks from investments in financial instruments. These risks include:

- credit risk
- liquidity risk
- market risk

This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risks, and the Scheme's management of unitholder funds.

6.1.1 Risk management framework

The Scheme's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk, equity price risk), liquidity and cash flow risk. The Scheme's overall risk management programme is aligned to the investment strategy of the Scheme as detailed in its Constitution and Product Disclosure Statement. It focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance.

The Responsible Entity monitors the risk management framework, which is performed internally and reported on a quarterly basis. The Scheme may use derivative financial instruments to moderate certain risk exposures.

6.1.2 Environmental, Social and Governance risks

The Scheme’s risk to Environmental, Social and Governance (ESG) issues is managed in accordance with the ‘Responsible Investing Policy’ and ‘Proxy Voting Standard’ covering Antares Capital Partners Limited. This involves undertaking formal assessment of the investment manager’s ESG practices when assessing, selecting and monitoring investment managers to protect investments and manage the risk profile for long-term returns.

6.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme, resulting in a financial loss to the Scheme. It arises principally from interest bearing securities held, derivative instruments and cash and cash equivalents.

6.2.1 Management of credit risk

The Scheme's policy over credit risk is to minimise its exposure to counterparties with higher risk of default by dealing only with counterparties meeting the credit standards set out in the Scheme's PDS and by taking collateral. Credit risk is further minimised by managing the assets of the Scheme within credit rating limits.

Credit risk is monitored by the investment managers in accordance with the policies and procedures in place, including assessing the credit rating and quality of interest bearing instruments relative to their price and yield.

6.2.2 Investments in interest bearing securities

Credit risk on interest bearing securities is mitigated by investing primarily in investment grade rated instruments as determined by Standard & Poor's or Moody's. The investment managers review monthly rating updates from the rating agencies and rebalance the portfolio where necessary.

Investments in interest bearing securities that are non-investment grade rated are either in accordance with the Scheme's mandates or a result of a decline in the credit quality of the security. Investments in non-investment rated securities could result in a loss of capital in the event that the interest bearing security was sold prior to its maturity and at a discount to its redemption price. To manage credit risk of non-investment grade rated securities, an active process of monitoring the investment is in place to ensure the security performs in line with expectations and meets portfolio requirements.

The credit quality of the interest bearing securities invested into by the Scheme, if any, is disclosed in Note 6.2.7 Credit risk exposure.

6.2.3 Derivative financial instruments

The Scheme may enter into two types of derivative transactions: exchange-traded derivatives and over-the-counter (OTC) derivatives. Credit risk arising from exchange-traded derivatives is mitigated by margin requirements. OTC derivatives expose the Scheme to the risk that the counterparties to the derivative financial instruments might default on their obligations to the Scheme.

Derivative financial instruments are transacted with counterparties on arm's length basis and within predetermined limits.

The fair value of the derivatives assets held by the Scheme is disclosed in Note 6.2.7 Credit risk exposure.

6.2.4 Cash and cash equivalents

The Scheme's cash and cash equivalents are held mainly by National Australia Bank Limited (NAB). The short term credit rating of the banking institution as determined by Standard & Poor's is A-1+ (2021: A-1+), as at reporting date. Maximum credit risk exposure from cash and cash equivalents is represented by the carrying amount in the Statement of Financial Position.

6.2.5 Settlement risk

The Scheme's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the Scheme mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval and monitoring processes described in Note 6.2.1 Management of credit risk.

6.2.6 Past due and impaired assets

No financial assets carried at amortised cost were past due or impaired either at 30 June 2022 or 30 June 2021.

6.2.7 Credit risk exposure

The Scheme's maximum credit risk exposure (without taking into account collateral and other credit enhancements) is represented by the respective carrying amounts of the relevant financial securities in the Statement of Financial Position at reporting date.

The tables below detail the maximum exposure to credit risk for the assets held by the Scheme.

	30 June 2022	30 June 2021
	$'000	$'000
Fixed interest securities	58,352	94,519
Total	**58,352**	**94,519**

Credit quality of interest bearing securities

	30 June 2022	30 June 2021
	$'000	$'000
AAA to AA-	58,352	94,519

6.2.8 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 foreign currency forward contracts and swaps that have been offset in the Statement of Financial Position are disclosed in the following tables:

				Related amounts not offset in the Statement of Financial Position		
	Gross amounts of recognised financial instruments	Gross amounts of recognised financial instruments offset in the Statement of Financial Position	Net amount of financial instruments presented in the Statement of Financial Position	Financial instruments (including non-cash collateral)	Cash Collateral received/pledged	Net amount
	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2022						
Financial assets						
Derivative financial instruments	-	-	-	-	-	-
Financial liabilities						
Derivative financial instruments	(1)	-	(1)	-	-	(1)
Total	**(1)**	**-**	**(1)**	**-**	**-**	**(1)**
30 June 2021						
Financial assets						
Derivative financial instruments	203	-	203	(200)	-	3
Financial liabilities						
Derivative financial instruments	(200)	-	(200)	200	-	-
Total	**3**	**-**	**3**	**-**	**-**	**3**

The Scheme did not have any arrangement that significantly reduces the credit risk associated with financial assets not offset against financial liabilities with the same counterparty.

6.3 Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Scheme.

6.3.1 Management of liquidity

The Scheme's policy and the investment managers' approaches to managing liquidity is to have sufficient liquidity to meet its liabilities, including estimated redemptions of units, as and when they fall due, without incurring undue losses.

The Scheme's PDS allows for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions at each redemption date. The amounts attributable to unitholders are considered to be on call.

The Scheme’s payables are expected to be settled within less than one month.

The Scheme's liquidity risk is managed on a daily basis and the investment managers' approaches are in accordance with its investment mandate. Daily monitoring of cash flow and liquidity levels is conducted to ensure appropriate and timely action which is in the best interests of the unitholders. In addition to monitoring daily cash flows, the Scheme's portfolio of assets are maintained within defined mandate limits and monitoring these positions is part of liquidity risk management.

6.3.2 Liquidity risk exposure

The tables below detail the financial instruments that give rise to liquidity exposure. Information is provided on a contractual basis.

		30 June 2022	30 June 2021
		$'000	$'000
Derivative financial liabilities			
Fair value	< 1 month	-	-
	≥ 1 month but < 6 months	1	-
	≥ 6 months but < 12 months	-	200
	≥ 1 year	-	-
Total derivative financial liabilities		**1**	**200**

6.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing), will affect the Scheme's income or the fair value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

6.4.1 Management of market risk

The Scheme's strategy for the management of market risk is driven by the Scheme's investment objectives. The Scheme's market risk is managed on a daily basis by the investment managers in accordance with the investment guidelines of the Scheme's investment mandates.

The Scheme uses derivatives to manage its exposure to foreign currency, interest rate and other price risks. The instruments used include interest rate swaps and futures. The Scheme does not apply hedge accounting.

6.4.2 Interest rate risk

The Scheme is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Financial instruments that would be impacted by changes in market interest rates include cash and cash equivalents, interest bearing securities, derivatives (such as swaps and futures) and deposits with brokers.

The Scheme's interest rate risk is actively managed in accordance with the defined investment process and within the guidelines and restrictions outlined in the Scheme's PDS. The investment process actively assesses the level of interest rate risk and seeks to manage the interest rate exposure accordingly.

6.4.3 Exposure and sensitivity analysis - interest rate risk

Direct interest rate risk exposure at the reporting date is disclosed in Note 6.4.4 Interest rate risk exposure and sensitivity analysis.

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and 'Total comprehensive income/(loss) for the year' would have been affected by changes in the relevant risk at the end of the reporting period. Management have determined that an increase of 125 basis points or a reduction of 25 basis points at 30 June 2022 is reasonably possible, considering the economic environment in which the Schemes operate (2021: 100 basis points).

The tables at Note 6.4.4 Interest rate risk exposure and sensitivity analysis set out the effect on the Scheme's 'Net assets attributable to unitholders' and 'Change in net assets attributable to unitholders/Total comprehensive income'.

6.4.4 Interest rate risk exposure and sensitivity analysis

The tables below detail the assets and liabilities exposed to, and sensitivity analysis on, interest rate risk.

	Fixed interest rate	Floating interest rate	Total
	$'000	$'000	$'000
30 June 2022			
Financial investments held at fair value through profit or loss	58,352	-	58,352
Total financial investment exposure	**58,352**	**-**	**58,352**
30 June 2021			
Financial investments held at fair value through profit or loss	94,519	-	94,519
Total financial investment exposure	**211,223**	**-**	**211,223**

Sensitivity analysis	2022	2021
	$'000	$'000
Impact on Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income		
Interest rate risk - increase of 125bps (2021: 100bps)	(3,678)	(4,640)
Interest rate risk - decrease of 25bps (2021: 100bps)	736	4,643

6.4.5 Currency risk

Currency risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate due to changes in foreign exchange rates.

There was no significant direct foreign exchange risk in the Scheme as at 30 June 2022 (2021: Nil).

6.4.6 Other price risk

At the reporting date, other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. Other price risk is managed by the investment managers by diversifying the portfolio and economically hedging using derivative financial instruments such as options and future contracts, in accordance with the PDS or information memorandum.

The Scheme's financial instruments which are carried at fair value have any change in the fair value of investments recognised in the Statement of Comprehensive Income in the line item 'Net change in fair value of investments'.

6.4.7 Exposure and Sensitivity analysis - other price risk

The other price risk exposure of financial instruments is equal to the fair value of financial instruments as reported in the Statement of Financial Position and in Note 4 Financial assets and liabilities.

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and 'Total comprehensive income/(loss) for the year' would have been affected by changes in the relevant risk at the end of the reporting period.

Changes in price as disclosed in this note set out below are illustrative only and are based on simplified scenarios. These represent what is considered to be a reasonably possible change rather than extreme fluctuations that may occur from time to time. As such, actual future market movement may differ.

Management has determined that a movement in market prices of 10% is possible, considering the economic environment in which the Scheme operates.

The tables at Note 6.4.8 Other price risk and sensitivity analysis set out the effect on the Scheme's 'Net assets attributable to unitholders' and 'Total comprehensive income/(loss) for the year' of a possible increase or decrease in market prices of 10% (2021: 10%).

6.4.8 Other price risk and sensitivity analysis

At the reporting date, the Scheme's other price risk sensitivity analysis is detailed in the tables below:

	30 June 2022 $'000	30 June 2021 $'000
Interest bearing securities	58,352	94,519
Derivatives	(1)	-
Total	**58,351**	**94,519**
Impact on Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income		
Price risk - increase of 10% (2021: 10%)*	5,835	9,452

* A decrease will have an equal and opposite effect on the Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income.

6.4.9 Derivatives financial instruments

The Scheme's derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments. As at 30 June 2022, the overall direct market exposures were as follows:

	30 June 2022 Contract/ Notional value $'000	30 June 2021 Contract/ Notional value $'000	30 June 2022 Fair value $'000	30 June 2021 Fair value $'000
Derivative financial instruments:				
Futures	(757)	(709)	-	3
Total	**(757)**	**(709)**	**-**	**3**

6.5 Valuation of financial instruments

The Scheme's accounting policy on fair value measurement is discussed in Note 3.2.5 Fair value measurement principles.

The Scheme measures financial assets and financial liabilities held at fair value through profit or loss using the following fair value hierarchy:

Level 1 - Quoted price (unadjusted) in an active market for an identical instrument.

The quoted market price used for financial assets is the current bid price. The quoted market price used for financial liabilities is the current ask price.

Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

Level 3 - Valuation techniques using significant unobservable inputs.

This category includes all instruments that use a valuation technique which includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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 Responsible Entity. The Responsible Entity considers 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.

The valuation of Level 2 equities which are subject to transfer restrictions may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The valuation of managed investment scheme included in Level 2 and Level 3 is based on the daily net asset value of the managed investment scheme provided by the relevant Responsible Entities.

Level 2 fair values for simple, over the counter derivative financial instruments are based on the amount to terminate the contract at the end of reporting period taking into account current market conditions. Fair values reflect the credit risk of the instrument and include an adjustment to take account of the credit risk of the Scheme and counterparty where appropriate.

The Scheme recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. Changes in Level 2 and 3 fair values are analysed at each reporting date and the reasons for the fair value movements are explained. There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial year ended 30 June 2022.

6.5.1 Financial instruments hierarchy

6.5.1.1 Recurring fair value measurements

The tables below detail financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Note	30 June 2022 $'000	30 June 2021 $'000
Financial assets held at fair value through profit or loss			
Interest bearing securities:			
Level 1		-	-
Level 2		58,352	94,519
Level 3		-	-
Derivative assets:			
Level 1		-	3
Level 2		-	200
Level 3		-	-
Total financial assets held at fair value through profit or loss	**4.1**	**58,352**	**94,722**
Financial liabilities held at fair value through profit or loss			
Derivative liabilities:			
Level 1		-	-
Level 2		1	200
Level 3		-	-
Total financial liabilities held at fair value through profit or loss	**4.2**	**1**	**200**

6.5.1.2 Non-recurring fair value measurements

The Scheme has no assets or liabilities measured at fair value on a non - recurring basis in the current reporting period.

6.5.2 Valuation process

The Valuations of the financial instruments are managed in accordance with the Responsible Entity's board approved Unit Pricing Policy.

7. Related parties

7.1 Responsible Entity

The Responsible Entity of the Scheme is Antares Capital Partners Limited (ABN 85 066 081 114). Antares Capital Partners Limited (ACP) is a subsidiary of Insignia Financial Ltd (Insignia).

7.2 Key management personnel

The Scheme does not employ personnel in its own right. However, the Scheme is required to have an incorporated Responsible Entity to manage the activities and this is considered to be key management personnel. The directors of the Responsible Entity, which are key management personnel, during or since the end of the financial year are:

Name	Position Held	Date Appointed
K A Watt	Independent Non-Executive Director, Chair	Appointed 5 December 2016
M A Joiner	Independent Non-Executive Director	Appointed 1 January 2021
G J Mulcahy	Executive Director	Appointed 7 July 2014
J Selak	Independent Non-Executive Director	Appointed 31 May 2021

The Scheme has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the reporting period.

No director has entered into a material contract with the Scheme since the end of the previous financial year and there were no material contracts involving directors' interests existing at financial year end.

7.3 Related party transactions

All related party transactions are conducted on commercial terms and conditions.

The Directors of the Responsible Entity may also be employees and/or directors of other companies owned by Insignia. The Responsible Entity may also be involved in activities other than the business of managed investment schemes.

The Scheme has not made, guaranteed or secured, directly or indirectly, any loans to the Responsible Entity at any time during the reporting period.

During the financial period there was no compensation paid directly by the Scheme to the Directors of the Responsible Entity. Directors compensation was paid by either IOOF Service Co Pty Ltd or MLC Wealth Ltd (wholly owned subsidiaries of Insignia Financial Ltd, the ultimate parent company of ACP).

From time to time the Directors of Antares Capital Partners Limited may invest or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other unitholders in the Scheme.

7.4 Responsible Entity fees

The Responsible Entity is entitled to management fees which are calculated as a proportion of net assets attributable to unitholders. All transactions with related parties are conducted on normal commercial terms and conditions. Management fees are reflected as 'Responsible Entity fees' in the Statement of Comprehensive Income. Fees received by the Responsible Entity at unit class level for the year ended 30 June 2022 are as follows:

	Total management fees paid and payable to the RE during the financial year	
	2022	2021
	$	$
Antares Inflation Linked Bond Fund	256,554	301,732

7.5 Related party investments held by the Scheme

The Scheme did not hold any investments in Antares Capital Partners Limited or its related parties at year end.

7.6 Units in the Scheme held by related parties

As at the reporting date, details of the unit holdings in the Scheme by related parties are set out in the table below. The below related parties are wholly owned subsidiaries of Insignia Financial Ltd, the ultimate parent company:

• NULIS Nominees (Australia) Limited (the Trustee for MLC Super Fund);

Name of entity Name of related entity	**Fair value of unit holdings**		**% Interest held**		**Distributions paid/ payable**		**Number of units held**	
	2022 $	2021 $	2022 %	2021 %	2022 $	2021 $	2022	2021
Antares Inflation Linked Bond Fund								
MLC Super Fund	33,924,068	83,180,027	57.05	88.26	1,024,803	3,308,693	33,574,329	76,593,511

8. Auditor's remuneration

Auditor's remuneration for the Scheme has been paid by the Responsible Entity. Other assurance engagements consist of compliance plan audit and specified procedures performed on the direct investments of the Scheme.

	30 June 2022 $	30 June 2021 $
KPMG		
- Financial statement audit	12,189	-
- Compliance and regulatory	4,107	-
Other Auditor		
- Financial statement audit	-	8,589
- Other assurance engagements	-	5,289
Total audit fees paid	**16,296**	**13,878**

9. Commitments and contingencies

There were no commitments or contingencies for the Scheme as at the reporting date (30 June 2021: Nil).

10. Events subsequent to reporting date

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Scheme disclosed in the Statement of Financial Position as at 30 June 2022 or on the results and cash flows of the Scheme for the financial year ended on that date.

Antares Capital Partners Limited presents the Directors' Declaration in respect of the following Scheme:

Antares Inflation Linked Bond Fund

In the opinion of the Directors:

1. The financial statements and notes to the financial statements of the Scheme, set out on pages 5 to 22 are in accordance with the *Corporations Act 2001,* including:

   1.1 giving a true and fair view of the Scheme's financial positions as at 30 June 2022 and its performance for the financial year ended on that date.

   1.2 complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001.*

2. The financial statements and notes to the financial statements of the Scheme, set out on pages 5 to 22 comply with International Financial Reporting Standards.

3. There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

This Declaration is made in accordance with a resolution of the Directors of Antares Capital Partners Limited.

Kathryn Watt

Kathryn Watt
Director
Melbourne
13 September 2022

KPMG

Independent Auditor's Report

To the unitholders of Antares Inflation Linked Bond Fund

Opinion

We have audited the ***Financial Report*** of Antares Inflation Linked Bond Fund (the Scheme).

In our opinion, the accompanying Financial Report of the Scheme is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Scheme's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2022;
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Scheme in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in the Scheme's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Antares Capital Partners Ltd (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of Antares Capital Partners Ltd (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Joshua Pearse

Partner

Melbourne

13 September 2022

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Antares Capital Partners Ltd, the Responsible Entity for Antares Inflation Linked Bond Fund:

I declare that, to the best of my knowledge and belief, in relation to the audit of the Scheme for the financial year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Joshua Pearse

Partner

Melbourne

13 September 2022

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Important information

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