

The Praemium SMA Superannuation Fund

ABN: 75 703 857 864

RSE: R1074352

Annual Report
For the Year Ended 30 June 2024

The Praemium SMA Superannuation Fund
Annual Report
For the Year Ended 30 June 2024

	Page
CONTENTS	
TABLE OF CONTENTS	2
DIRECTORS' REPORT	3
INDEPENDENCE DECLARATION	6
STATEMENT OF FINANCIAL POSITION	7
INCOME STATEMENT	8
STATEMENT OF CHANGES IN MEMBER BENEFITS	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12-26
1. General Information	12
2. Summary of material accounting policies	12
3. Financial risk management	15
4. Fair value measurement	19
5. Net changes in fair value of financial instruments	20
6. Structured entities	20
7. Member liabilities	21
8. Insurance arrangements	21
9. Reserves	21
10. Income Tax	22
11. General administration expenses	24
12. Cash and cash equivalents	24
13. Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities	24
14. Commitments	24
15. Contingent liabilities and contingent assets	25
16. Events occurring after the reporting period	25
17. Related party transactions	25
18. Remuneration of auditors	26
Trustees' declaration	27
Independent auditor's report	28

DIRECTORS' REPORT

The directors of Diversa Trustees Limited (the "Trustee"), as trustee for The Praemium SMA Superannuation Fund (the "Fund"), submit herewith the annual report of the Fund for the financial year ended 30 June 2024. In order to comply with the provisions of the Corporations Act 2001, the directors of the Trustee report as follows:

Principal activities

The Praemium SMA Superannuation Fund is operated for the purpose of providing retirement benefits to members or in the case of the death of the member, to their beneficiaries.

Review of operations

During the financial year, the Fund recorded net investment income of \$419,972,503 (2023: \$331,121,533) and expenses of \$50,485,129 (2023: \$43,618,682). The net assets available for members benefits equal to \$4,576,356,844 (2023: \$3,844,146,032).

Volatility in investment markets, alongside high inflation and interest rates, has influenced the outcomes of superannuation activities. Throughout the financial year, the Fund engaged in investments, with the carrying value of investments amounting to \$4,553,940,320 as at 30 June 2024 (2023: \$3,805,473,461). Details regarding the valuation of the Fund's assets are provided in Note 1 of the financial report.

The Fund operates within a dynamic environment characterised by various risks that may impact its financial prospects. Embracing a risk management approach aligned with industry best practices and regulatory expectations, the Fund aims to strike a balance between risk and reward for the benefit of its members. Key material business risks faced by the Fund include:

Regulatory and Legislative Changes: The dynamic regulatory landscape governing superannuation undergoes frequent adjustments, potentially presenting challenges to compliance and operational effectiveness. The Trustee diligently monitors regulatory developments, proactively adapting to changes, and maintains robust governance frameworks. Furthermore, the Trustee adjusts its strategies and operations to align with evolving legal requirements.

Operational Risk: Operational risks include various factors, including those associated with the operations of the Trustee oversight model and its service providers delivering services to the Fund. These risks may arise from deficiencies or failures in the governance processes, internal controls, or operational procedures related to the oversight of the Trustee's activities. Potential risks include inadequate oversight of investment decisions, compliance failures, conflicts of interest, and ineffective management of third-party service providers. To mitigate operational risks, we maintain rigorous governance frameworks, conduct regular assessments of the Trustee oversight model, implement robust internal controls, and foster a culture of accountability and transparency.

Climate Change: Climate change presents both physical and transitional risks to investments, affecting asset valuations and long-term sustainability. Environmental, social, and governance (ESG) developments, along with emerging risks and opportunities, may impact investment returns for members. This is an emerging risk and the Trustee will monitor any ESG developments to identify issues that may impact investment returns for members.

Changes in state of affairs

During the financial year, there was no significant change in the state of affairs of the Fund.

Subsequent events

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as at 30 June 2024 or on the results and cashflows of the Fund for the year ended on that date.

Future developments

Information about future developments in the operations of the Fund and the expected results of those operations in future financial years have not been included in this report, as disclosure of the information would be likely to result in unreasonable prejudice to the Fund.

Environmental regulations

The Fund's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. However, the Trustee believes that the Fund has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they may apply to the Fund.

Audit and non-audit services

Details of amounts paid or payable to the auditor for audit and non-audit services provided during the year by the auditor are disclosed in the table below.

	2023	2024
	\$'000	\$'000
Statutory assurance services required by legislation to be provided by the auditor	130	130
Other Services	-	-
Total	130	130

The auditor of The Praemium SMA Superannuation Fund is Deloitte and during the financial year, the auditor did not provide any non-audit services to the Fund. Further details on the compensation paid to the auditor are provided in Note 15 Remuneration of auditors to the financial statements including details of audit-related services provided during the year of \$130,000 (2023: \$130,000).

For the reasons set out above, the Directors are satisfied that the provision of non-audit services by the external audit during the year ended 30 June 2024 is compatible with the general standard of independence for external auditors imposed by the Corporations Act 2001 and did not compromise the audit independence requirements of the *Corporation Act 2001*.

Indemnities and Insurance premiums for officers or auditors

Under the Trust Deed, the Trustee including its officers and employees, is indemnified out of the Fund's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

The Trust has not indemnified any auditor of the Fund.

During the financial year the Trustee paid premiums in respect of its officers for professional indemnity insurance contracts for the year ended 30 June 2024. The Trustee has paid or agreed to pay in respect of the Fund, premiums in respect of such insurance contracts for the year ending 30 June 2024. The Fund did not reimburse the Trustee for such costs.

Details of the nature of the liabilities covered or the amount of the premium paid have not been included as such disclosure is prohibited under the terms of the contracts.

Rounding of amounts

The Praemium SMA Superannuation Fund is an entity of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

REMUNERATION REPORT

The directors of the Trustee present the Remuneration Report for the Fund for the year ended 30 June 2024. The Remuneration Report forms part of the Directors' Report and has been audited in accordance with section 300C of the Corporations Act 2001. The Remuneration report details the remuneration arrangements for the Directors and the Key Management Personnel (KMP) of the Fund which includes persons who directly, indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Fund.

Remuneration objectives and principles

Our remuneration objectives and principles are firmly aligned with our commitment to both our members and colleagues. They serve as guiding principles in the development and implementation of our remuneration structures.

To ensure compliance with regulatory standards, the Trustee Board has established the Remuneration and Nomination Committee, as mandated by APRA Prudential Standards SPS 510 Governance (SPS 510) and CPS 511 Remuneration (CPS 511).

Our remuneration strategy undergoes an internal review on, at least, an annual basis, considering factors such as the size, complexity, and responsibilities of roles, individual performance and behaviour, as well as skills and experience consistent with our fiduciary duties and the best financial interests of our members. This review includes the utilisation of key performance indicators aligned with the trustee's strategic objectives and risk tolerance.

The policy may also be reviewed by an independent third party. No external review of the policy has been undertaken during the year.

Key management personnel

The directors of the Trustee and other key management personnel of the Trustee during the financial year were:

Directors of the Trustee

Name	Date of appointment	Status
V. Plant (Chairperson)	4 May 2017	Independent
A. Peterson	28 Jun 2019	Chief Executive Officer
F. McNabb	28 Jun 2019	Independent
R. Beard	18 Feb 2021 (Resigned 27 Jul 2024)	Independent
S. Thomas	15 Aug 2023	Non Executive
M. Walter	26 Jun 2023	Independent

Other key management personnel

The following is the list of executives, who at any time during the period up to the date of this report had an authority and responsibility for planning, directing and controlling activities either directly or indirectly:

Name	Date of	Position
J. Hartnett	14 Feb 2022	General Manager Office of Superannuation Trustees
J. Haymes	15 Feb 2022	General Manager Strategy
R. Griffith	12 Jul 2021	General Manager Investment Oversight & Board Company Secretary

The following section provides remuneration disclosures for the Key Management Personnel of the Trustee. As the Trustee manages multiple Funds, the disclosed remuneration incorporates awards granted across all Funds under its management, and as such, the amounts below are not specific to this Fund alone. Directors of the Trustee and other key management personnel do not receive remuneration directly from the Fund.

The executive remuneration and reward framework has three components:

- base pay;
- short-term discretionary bonuses; and
- other remuneration such as superannuation, annual leave and long service leave.

The combination of these comprises the executive's total remuneration

FY24 remuneration for Directors and Key Management Personnel

2024	Short-term employee benefits			Long-term employee benefits	Termination Benefits	Total incl accrued leave entitlements**
	Cash Salary & Fees	Cash Bonus	Superannuation	Annual and Long Service Leave*		
	\$	\$	\$	\$	\$	\$
Directors of the Trustee						
V. Plant	\$ 220,000	\$ -	\$ -	-	-	\$ 244,200
A. Peterson	\$ 750,000	\$ 630,000	\$ 630,000	\$ 117,411	-	\$ 1,524,810
F. McNabb	\$ 155,000	\$ -	\$ -	-	-	\$ 172,050
R. Beard	\$ 161,096	\$ -	\$ -	-	-	\$ 178,817
S. Thomas	\$ 145,001	\$ -	\$ -	-	-	\$ 160,951
M. Walter	\$ 142,404	\$ -	\$ -	-	-	\$ 158,068
Other key management						
J. Hartnett	\$ 252,317	\$ 45,669	\$ 45,669	\$ 18,883	-	\$ 344,268
J. Haymes	\$ 229,585	\$ 45,514	\$ 45,514	\$ 5,587	-	\$ 295,130
R. Griffith	\$ 393,068	\$ 79,511	\$ 79,511	\$ 41,458	-	\$ 539,162

*Annual Leave and Long Service Leave accrued during the year takes into consideration the impact of changes to the Superannuation Guarantee percentage. The amount represents the accrued amount less any time taken during the year and does not represent the amount paid.

** The Corporations Regulations require KMP remuneration to be disclosed as it applies to an individual fund. The Trustee has determined that because the independent trustee model brings a unique set of responsibilities and accountabilities for the KMP which applies across all funds under trusteeship, the total remuneration of the KMP for all funds under trusteeship represents the appropriate remuneration to be disclosed in the financial statements of all funds under their trusteeship.

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Non Cash Benefits

The Trustee does not pay non-cash benefits to its Directors or Key Management Personnel.

Bonuses granted in the current financial year

Cash bonuses

Key management personnel were granted and paid a cash bonus of \$800,694. The cash bonus was given in recognition of the substantial effort to negotiate and implement the trustee's strategy and these are discretionary in nature.

These bonuses are discretionary in nature and are based on the performance of individuals against financial and non-financial criteria as laid out in individual employee contracts. This performance is considered as part of the annual performance review process and the bonuses are subject to Executive approval. The bonus of the CEO is approved by the Remuneration and Nomination Committee.

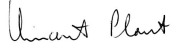
Service agreements

Remuneration arrangements for executives are formalised through employment agreements. These agreements outline the terms and conditions of employment, including the structure of remuneration packages and performance criteria.

Director's resolution

This directors' report is signed in accordance with a resolution of directors of the Trustee made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors of the Trustee



V. Plant
Director

Melbourne, 30 September 2024

30 September 2024

Board of Directors
Diversa Trustees Limited
GPO Box 3001
MELBOURNE VIC 3001

Dear Board Members

Auditor's Independence Declaration to Praemium SMA Superannuation Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Diversa Trustee Limited as trustee for Praemium SMA Superannuation Fund.

As lead audit partner for the audit of the financial report of Praemium SMA Superannuation Fund for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Adam Kuziow
Partner
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Assets			
Cash and cash equivalents	12	25,090	26,503
Investments held at fair market value	4	4,553,940	3,805,473
Receivables			
Distributions and dividends receivable		32,602	24,279
Income tax receivable		5,134	5,134
Total Assets		<u>4,616,766</u>	<u>3,861,389</u>
Liabilities			
Benefits payable		-	2,505
Accounts payable and accrued expenses		229	199
Current tax liabilities		10,508	262
Deferred tax liabilities	10	20,200	7,905
Due to brokers		9,404	6,372
Total Liabilities Excluding Member Benefits		<u>40,341</u>	<u>17,243</u>
Net Assets Available For Member Benefits		4,576,425	3,844,146
Defined contribution member liabilities		4,547,333	3,825,318
Contributions not allocated to Members	7	2,612	1,103
Total Net Assets		<u>26,480</u>	<u>17,725</u>
Equity			
Operational Risk Reserve	9	10,576	8,502
Unallocated surplus		15,904	9,223
Total Equity		<u>26,480</u>	<u>17,725</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

INCOME STATEMENT
For the Year Ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Superannuation activities			
Interest revenue		14,411	11,483
Dividend and distributions		140,852	89,647
Net changes in fair value of investments	5	<u>264,752</u>	<u>229,992</u>
Total Net Income		420,015	331,122
Less expenses			
General Administration Expense	11	<u>(50,485)</u>	<u>(43,619)</u>
Total Expenses		<u>(50,485)</u>	<u>(43,619)</u>
Results From Superannuation Activities Before Income Tax Expense		369,530	287,503
Income tax (expense)/benefit	10	<u>(10,331)</u>	<u>(1,876)</u>
Results From Superannuation Activities After Income Tax Expense		359,199	285,627
Net benefits allocated to defined contribution members		<u>(331,729)</u>	<u>(265,318)</u>
Operating Result After Income Tax		<u><u>27,470</u></u>	<u><u>20,309</u></u>

The above income statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN MEMBER BENEFITS
For the Year Ended 30 June 2024

	Notes	2024	2023
		\$'000	\$'000
Opening Balance Of Member Benefits (as at 1 July)		3,825,318	3,011,005
Contributions:			
- Employer contributions		86,249	74,922
- Member contributions		230,588	228,245
- Government co-contributions		247	108
Transfers in from other superannuation funds		609,425	721,917
Income tax on contributions		(20,510)	(17,653)
Net After Tax Contributions		<u>905,999</u>	<u>1,007,539</u>
Benefits paid to members		(516,799)	(465,869)
Insurance premiums charged to member accounts		(3,067)	(3,447)
Death & disability benefits credited to member accounts		304	410
Income protection benefits credited to member accounts		269	-
Reserve transferred to/(from) members			
- Operational Risk Reserve		(1,161)	-
- Unallocated surplus		4,725	10,364
Compensation claims		15	-
Net benefits allocated comprising:			
- Net investment income		382,215	308,936
- Administration expenses		(50,485)	(43,620)
Closing Balance Of Member Benefits (as at 30 June)		<u><u>4,547,333</u></u>	<u><u>3,825,318</u></u>

The above statement of changes in member benefits should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2024

	Operational Risk Reserve	Unallocated (Deficit)/ Surplus	Total Equity
	\$'000	\$'000	\$'000
Opening Balance as at 1 July 2022	8,590	(665)	7,925
Operating result	(89)	20,398	20,309
Net transfers (to)/from member accounts	-	(10,364)	(10,364)
Amounts not yet allocated to members	-	(146)	(146)
Closing Balance as at 30 June 2023	<u>8,502</u>	<u>9,223</u>	<u>17,725</u>
Opening Balance as at 1 July 2023	8,502	9,223	17,725
Operating result	914	26,557	27,471
Net transfers (to)/from member accounts	1,160	(4,726)	(3,566)
Amounts not yet allocated to members	-	(15,150)	(15,150)
Closing Balance as at 30 June 2024	<u>10,576</u>	<u>15,904</u>	<u>26,480</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Cash Flows From Operating Activities			
Interest received		14,411	11,483
Dividends and distributions received		132,528	98,312
General administration expenses paid		(22,772)	(20,038)
Death and disability proceeds received from insurer		304	409
Income protection proceeds received from insurer		269	-
Insurance premiums paid		(3,038)	(3,483)
Adviser fees paid		(27,713)	(23,580)
Tax (expense)/refund		9,736	639
Net Cash Inflow/(Outflow) From Operating Activities	13	<u>103,725</u>	<u>63,742</u>
Cash Flows From Investing Activities			
Sale of financial instruments		1,619,924	1,614,039
Purchases of financial instruments		(2,110,494)	(2,220,620)
Net Cash Inflow/(Outflow) From Investing Activities		<u>(490,570)</u>	<u>(606,581)</u>
Cash Flows From Financing Activities			
Employer contributions received		86,249	74,922
Member contributions received		230,835	228,353
Transfers from/(to) other superannuation activities		609,425	721,917
Members compensation claims received		15	-
Benefit payments to members or beneficiaries		(519,304)	(465,229)
Unallocated contributions		1,509	(8,770)
Tax paid on contributions		(23,297)	(18,717)
Net Cash Inflow/(Outflow) From Financing Activities		<u>385,432</u>	<u>532,476</u>
Net Increase/(Decrease) In Cash And Cash Equivalents		<u>(1,413)</u>	<u>(10,363)</u>
Cash and cash equivalents at the beginning of the financial year		26,503	36,866
Cash And Cash Equivalents At The End Of The Financial Year	12	<u><u>25,090</u></u>	<u><u>26,503</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Praemium SMA Superannuation Fund (ABN 75 703 857 864) (the "Fund") is a retail superannuation fund domiciled in Australia. The Fund is primarily involved in providing retirement benefits to its members. The Fund was constituted by a Trust Deed dated 15 September 2011 as amended.

In accordance with amendments to the *Superannuation Industry (Supervision) Act 1993* the Fund is registered with the Australian Prudential Regulation Authority ("APRA") as a Registrable Superannuation Entity ("RSE") R1074352.

The Fund is a defined contribution fund. Members have voluntarily selected the Fund.

The Trustee of the Fund during the reporting period was Diversa Trustees Limited (ABN 49 006 421 638) (RSE No L0000635). The address of the Fund's registered office is Level 17, IBM Tower, 60 City Road, Southbank Victoria.

Both the Trustee and the Fund are domiciled in Australia and registered with APRA.

These financial statements cover the Fund as an individual entity. The financial statements of the Fund were authorised for issue by the directors of the Trustee on 30/09/2024. The directors of the Trustee have the power to amend and re-issue these financial statements.

2. Summary of material accounting policies

Unless covered in other notes to the financial statements, 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 in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the Corporations Act 2001 and Corporations Regulations 2001 and the provisions of the Trust Deed. The financial statements are presented in the Australian currency.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial investments and net assets available for member benefits.

(b) Financial instruments

(i) Classification

The Fund's investments are classified as at fair value through the income statement. They comprise:

- Financial instruments designated at fair value through income statement upon initial recognition.
These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts and commercial paper.

These investments are managed and their performance is evaluated on a fair value basis in accordance with the Fund's investment strategy.

(ii) Recognition/de-recognition

Financial assets and financial liabilities are recognised on the date the Fund becomes party to the contractual agreement (trade date) and changes in the fair value of the financial assets or financial liabilities are recognised from this date.

Investments are de-recognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Fund measures a financial asset or liability at fair value.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through income statement are measured at fair value. Gains and losses are presented in the income statement in the period in which they arise as net changes in fair value of financial instruments.

For further details on how the fair values of financial instruments are determined refer to note 4.

(iv) Offsetting financial instruments

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 amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability at the same time.

(c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, 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 and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from investing activities.

(d) Revenue recognition

Interest revenue is recognised in profit or loss for all financial instruments that are held at fair value through profit or loss using the effective interest method. Income from cash and cash equivalents is presented as interest income. Interest income on assets held at fair value through profit or loss is included in the net changes in fair value of financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b) to the financial statements.

Dividend and trust distribution income is recognised gross of withholding tax in the period in which the Fund's right to receive payment is established.

(e) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date. A provision for impairment is made when the fund will not be able to collect all amounts due from the relevant broker.

(f) Receivables

Receivable amounts (eg. dividends, distributions and interest) are generally received within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed regularly. Amounts which are known to be uncollectable are written off by reducing the carrying amount.

(g) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period. These amounts are unsecured and are usually paid within 30 days of recognition.

(h) Benefits paid and payable

Benefits paid and payable are valued at the amounts paid to members during the period or payable to members as at reporting date. Benefits payable comprise pensions accrued at balance date and lump sum benefits of members who are due a benefit but had not been paid at balance date.

(i) Contributions received and transfers from other funds

Contributions received and transfers from other funds are recognised in the statement of changes in member benefits when the control of the contribution or transfer has transferred to the Fund. They are recognised gross of any taxes.

(j) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel. Refer to note 4 for details.

(k) New accounting standards and interpretations

The Fund has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112]
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform –Pillar Two Model Rules [AASB 112]

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New accounting standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

New or revised requirement	Title	Effective Date	30 June 2024 Applicability
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2023-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024	Optional
AASB 2020-6	Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non- Current - Deferral of Effective Date	1 January 2024	Optional
AASB 2022-5	Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	1 January 2024	Optional
AASB 2023-1	Amendments to Australian Accounting Standards - Amendments to Australian Accounting Standards–Supplier Finance Arrangements	1 January 2024	Optional

There are no other new accounting standards and other authoritative pronouncements that are expected to have a material impact on the Fund.

Climate related and other emerging risk disclosure

On 27 March 2024, Treasury released the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 (the Bill). Schedule 4 of the Bill introduces a proposed new mandatory climate related financial disclosure regime. The Bill outlines the introduction of reporting obligations in three groups over a four-year period, based on criteria such as revenue, assets, number of employees, and whether the entity has existing climate reporting obligations. The first phase for large entities is scheduled to commence on 1 January 2025. Specific reporting content will be established in new accounting standards under the Australia Sustainability Reporting Standards (ASRS) set by the Australian Accounting Standards Board (AASB), with new assurance standards to be developed and maintained by the Australian Auditing and Assurance Standards Board (AUASB). The fund is not expected to have reporting obligations until 1 July 2027.

Other legislative or government developments

The Fund is a registrable superannuation entity that is subject to amendments made to the Corporations Act 2001 by the Treasury Laws Amendment (2002 Measures No.4) Act 2022. These amendments are effective for financial years beginning on or after 1 July 2023 and bring registrable superannuation entities such as the Fund into the financial reporting provisions of the Corporations Act 2001.

Accordingly, for the Fund's income year ending 30 June 2024, the Fund will be required to prepare an annual report, consisting of a financial report (including financial statements, notes and a directors' declaration), a directors' report (including a remuneration report) and an attached auditor's report and auditor's independence declaration. There will be no impacts to the recognition and measurement requirements utilised in the preparation of the financial report of the Fund as a result of these changes.

These reports must also be lodged with ASIC, who now take on an increased regulatory oversight role following the introduction of these amendments.

(l) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

(m) Comparative amounts

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current period's financial statements. As a result, some line items in the notes to the financial statements have been reclassified to align comparative information with the current year's presentation.

3. Financial risk management

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

The Trustee has taken into consideration the current global inflation, the rise in interest rates and the ongoing global uncertainty associated with the conflicts in Ukraine and Palestine in preparing these financial statements. As a result, assessing fair value as at reporting date involves increased uncertainties around the underlying assumptions for valuations given the very wide range of potential paths forward for both economies, policy responses and asset fundamentals.

The Investment Governance Framework ("IGF") sets out the Trustee's policies and procedures for the selection, management and monitoring of investments for the Fund. For each investment option offered by the Fund, the Trustee seeks to maximise the returns derived for the level of risk to which the Fund is exposed.

(a) Market risk

(i) Price risk

The Fund is exposed to equity securities and unlisted unit trust price risk. These arise from investments held by the Fund for which prices in the future are uncertain.

The Trustee mitigates price risk through diversification and a careful selection of securities. Compliance with the IGF and supporting investment guidelines are monitored by the Trustee on a regular basis.

At 30 June, the fair value of managed investment scheme exposed to price risk were as follows:

	2024	2023
	\$'000	\$'000
Equity securities	1,137,910	889,905
Unlisted unit trusts	1,691,374	1,379,550
Exchange traded fund	1,333,964	1,159,918
Net exposure to price risk	<u>4,163,248</u>	<u>3,429,373</u>

(ii) Cash flow and fair value interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates.

Financial instruments with fixed interest rates expose the Fund to fair value interest rate risk.

The table below summarises the Fund's direct exposure to interest rate risk.

As at 30 June 2024	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and short term deposits	415,782	-	-	415,782
Fixed interest securities	-	265,879	-	265,879
Distributions and dividends receivable	-	-	32,602	32,602
Financial liabilities				
Due to brokers - Payables for securities purchased	-	-	(9,404)	(9,404)
Net exposure interest rate risk	415,782	265,879	23,198	704,859

As at 30 June 2023	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and short term deposits	402,604	-	-	402,604
Fixed interest securities	-	67,662	-	67,662
Distributions and dividends receivable	-	-	24,279	24,279
Financial liabilities				
Due to brokers - Payables for securities purchased	-	-	(6,372)	(6,372)
Net exposure interest rate risk	402,604	67,662	17,907	488,173

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to members to interest rate risk and price risk. The reasonably possible movements in the risk variables have been based on the Trustee's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and market volatility. Actual movements in the risk variables may be greater or less than anticipated due to a number of factors. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Price Risk		Interest rate risk	
	Impact on operating profit/Net assets attributable to unitholders			
	-15%	+7.5%	-75 bps	+75 bps
	\$'000	\$'000	\$'000	\$'000
30 June				
2024	(624,487)	312,244	(188)	188
2023	(514,406)	257,203	(199)	199

(c) **Credit risk**

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Fund.

The main credit risks, to which the Fund is exposed, arises from the Fund's investment in cash and cash equivalents, interest bearing securities, units in unit trusts and other receivables. The Trustee monitors the Fund's credit risk exposure on a regular basis.

(i) *Fixed interest securities*

The Fund invests in fixed interest securities which are rated by Standard and Pools. For unrated assets the Trustee assess credit risk using an approach similar to that used by rating agencies. An analysis of debt securities by rating is set out in the following table.

Rating	30 June 2024	30 June 2023
	\$'000	\$'000
Australian		
AAA	14,467	19,171
AA-	61,678	32,059
A+	4,959	5,539
A-	4,234	1,110
BBB+	2,889	2,512
BBB	80,501	430
BB	346	188
Not Rated	96,805	6,652
Total	<u>265,879</u>	<u>67,662</u>

(ii) *Derivative financial instruments*

The Fund presently is not directly exposed to or involved in the use of derivative financial instruments. However, some of the Fund's underlying investments may, as part of the respective fund manager's investment strategy, utilise derivative financial instruments to hedge or partially hedge specific exposures. The Fund does not enter in to, hold or issue derivative financial instruments for trading purposes.

(iii) *Settlement of securities transactions*

All transactions in listed securities are settled for upon delivery using brokers approved by the Trustee. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment.

(iv) *Cash and cash equivalents*

The Fund's exposure to credit risk for cash and cash equivalents is considered low as all counterparties have a rating of AA- or higher in 2024 (AA- or higher in 2023) as determined by the Standard and Pools.

(v) *Assets in custody*

The clearing and depository for the Fund's security transactions are concentrated with one counterparty, namely HSBC Custodian. HSBC Custodian had a credit rating of AA- at 30 June 2024 (30 June 2023: AA-).

(vi) *Maximum exposure to credit risk*

The Fund's maximum exposure to credit risk is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

(d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations to members or counterparties in full as they fall due or can only do so on terms that are disadvantageous.

The Fund is obligated to pay member benefits upon request. The Trustee's policy is therefore to primarily hold investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange or ordinarily redeemable within a short period of time. The Fund's overall liquidity risks are monitored by the Trustee at least annually.

(i) Maturities of financial liabilities

The tables below show the Fund's financial liabilities based on their contractual maturities using undiscounted cash flows. Due to brokers and benefits payable are payable on demand. Liabilities to defined contribution members are payable upon request. The Fund considers it is highly unlikely that all liabilities to members would fall due at the same time.

As at 30 June 2024	Less Than 1 month \$'000	1-3 months \$'000	Greater than 3 months \$'000	Total \$'000
Non-derivatives				
Due to brokers	9,404	-	-	9,404
Benefits payable	-	-	-	-
Other payables	229	-	-	229
Defined contribution member liabilities	4,547,333	-	-	4,547,333
	<u>4,556,966</u>	<u>-</u>	<u>-</u>	<u>4,556,966</u>

As at 30 June 2023	Less Than 1 month \$'000	1-3 months \$'000	Greater than 3 months \$'000	Total \$'000
Non-derivatives				
Due to brokers	6,371	-	-	6,371
Benefits payable	2,505	-	-	2,505
Other payables	199	-	-	199
Defined contribution member liabilities	3,825,318	-	-	3,825,318
	<u>3,834,393</u>	<u>-</u>	<u>-</u>	<u>3,834,393</u>

The liability for accrued benefits have been included in the less than one month column. This is the earliest date on which the Fund can be required to pay members' vested benefits, however the Trustee does not anticipate that members will call upon amounts vested to them during this time.

4. Fair value measurement

(a) Fair value hierarchy

The Fund classifies 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly. The Trustee values debt securities held by the Fund using broker quotes, units in unit trusts using the unit price provided by the underlying fund manager and OTC derivatives using valuation models.
- Level 3: one or more of the significant inputs are not based on observable market data, examples include discount rates and other material unobservable inputs. The Trustee values units in unit trusts classified as level 3 using the unit price provided by the underlying fund manager. These unit trusts hold illiquid investments such as unlisted property and private equity.

Recognised fair value measurements

The table below sets out the Fund's financial assets and liabilities at fair value according to the fair value hierarchy.

As at 30 June 2024	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and short term deposits	415,782	-	-	415,782
Equity securities				
– Australian	759,388	-	-	759,388
– International	112,643	-	-	112,643
Fixed interest securities				
– Australian	265,879	-	-	265,879
Units in unit trusts	-	1,691,374	-	1,691,374
Exchange traded funds	1,333,964	-	-	1,333,964
As at 30 June 2024	2,887,656	1,691,374	-	4,579,030

As at 30 June 2023	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and short term deposits	402,603	-	-	402,603
Equity securities				
– Australian	747,514	-	-	747,514
– International	74,729	-	-	74,729
Fixed interest securities				
– Australian	67,662	-	-	67,662
– International	-	-	-	-
Units in unit trusts	-	1,379,550	-	1,379,550
Exchange traded funds	1,159,918	-	-	1,159,918
As at 30 June 2023	2,452,427	1,379,550	-	3,831,976

Valuation process

The Trustee reviews valuations of the financial instruments required for financial reporting purposes, including level 3 fair values. Changes in level 2 and 3 fair values are analysed at each reporting date by the Trustee.

5. Net changes in fair value of financial instruments

Net changes in financial assets and liabilities measured at fair value:

	2024	2023
	\$'000	\$'000
Designated at fair value through the Income Statement		
Equity securities and Exchange traded funds	116,084	157,678
Debt securities	81,537	5,177
Unlisted unit trusts	67,131	67,137
Total	<u>264,752</u>	<u>229,992</u>

6. Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

The Fund considers all investments in unlisted managed investment schemes (funds) to be structured entities. The Fund invests in underlying managed funds for the purpose of capital appreciation and or earning investment income.

The investee funds' objectives are to achieve medium to long term capital growth. The investee funds invest in a number of different financial instruments, including equities debt securities instruments and infrastructure. The investee funds finance their operations by issuing redeemable shares which are puttable at the holder's option and entitle the holder to a proportional stake in the respective fund's net assets.

The exposure to investments in investee funds at fair value, by investment strategy, is disclosed below:

	Fair value of investment 2024	Fair value of investment 2023
	\$'000	\$'000
Cash funds	91,522	140,683
Fixed interest funds	518,103	369,599
Australian property funds	30,537	20,141
Australian equity funds	821,384	698,566
International property funds	4,500	5,365
International equity funds	151,065	100,059
Other	74,263	45,137
Total	<u>1,691,374</u>	<u>1,379,550</u>

The fair value of investments in investee funds of \$1,691,374,468 (2023: \$1,379,549,677) is included in financial assets at in the balance sheet.

The Fund's maximum exposure to loss from its interests in investee funds is equal to the total fair value of its investments in the investee funds.

During the year ended 30 June 2024 total gains on investments in investee funds were \$67,131,282 (total gains 2023: \$67,137,063).

During the year the Fund earned fair value gains and distribution income as a result of its interests in other funds.

7. Member liabilities

(a) Recognition and measurement of member liabilities

The entitlements of members to benefit payments are recognised as liabilities. They are measured at the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members or their beneficiaries in the future as a result of the membership up to the end of the reporting period.

(b) Defined contribution member liabilities

Defined contribution member account balances are measured using unit prices determined by the Trustee based on the underlying investment option values selected by members or alternatively reflect the fair value of the investments held by the members.

The defined contribution members bear the investment risk relating to the underlying investment options. Unit prices used to measure defined contribution member liabilities are updated each day for movements in investment values.

As at 30 June 2024, the net assets attributable to defined contribution members have been substantially allocated. Unallocated amounts are shown in the statement of financial position as contributions not allocated to members and "Unallocated surplus (deficit)" within equity.

8. Insurance arrangements

The Fund provides death and disability benefits to its members. The Trustee has retail policies in place with third party insurance companies to insure these death and disability benefits for the members of the Fund.

The Fund collects premiums from members on behalf of the relevant insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members' accounts and reinsurance recoveries allocated are recognised in the statement of changes in members' benefits.

The Trustee determined that the Fund is not exposed to material insurance risk because:

- members (or their beneficiaries) will only receive insurance benefits if the external insurer pays the claim
- insurance premiums are only paid through the Fund for administrative reasons, and
- insurance premiums are effectively set directly by reference to premiums set by an external insurer.

9. Reserves

(a) Operational risk reserve

The operational risk financial reserve (ORR) may be used in certain circumstances to address operational risk events or claims against the Fund arising from certain operational risk events. The ORR is operated in accordance with the Operational Risk Financial Requirement Strategy. The Trustee has assessed an ORR target amount of 0.25% of funds under management as appropriate for the Fund. The Fund achieves its ORR target amount through a mixture of Trustee capital funding and an operational risk reserve in the Fund.

	2024	2023
	\$'000	\$'000
Reserves held within the Fund	10,576	8,502
Trustee Capital	1,461	1,332
Total ORR	<u>12,037</u>	<u>9,834</u>

Changes in the ORR within the Reserves of the Fund are detailed in the Statement of Changes in Equity.

(b) Unallocated (deficit)/surplus

The unallocated (deficit)/surplus is utilised by the Fund to maintain the difference between the amounts allocated to members as at the end of the financial year and the net assets of the Fund. It includes, among other items, income receivable to be allocated to members on receipt, and tax expense/benefit arising from the completion of the tax position following the year end. This income or any tax benefit/credit will be allocated in accordance with applicable Funds' policies.

Unallocated surplus which is principally unallocated tax benefits and other miscellaneous items will be allocated to Members and can be transferred to the ORR.

10. Income Tax

This note provides an analysis of the Fund's income tax expense and how the tax expense is affected by non-assessable and non-deductible items.

(i) Accounting policy

Under the Income Tax Assessment Act, the Fund is a complying superannuation fund. As such, a concessional tax rate of 15% is applied on net investment earnings with deductions allowable for administrative and operational expenses. Financial assets held for less than 12 months are taxed at the Fund's rate of 15%. For financial assets held for more than 12 months, the Fund is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of investments.

Current tax is the expected tax payable on the estimated taxable income for the current year based on the applicable tax rate adjusted for instalment payments made to the ATO during the year.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Income tax expense

	2024	2023
	\$'000	\$'000
Current tax expense		
Current tax on profits for the year	1,182	(7,846)
Adjustments for current tax of prior periods	(3,148)	(5,521)
Current tax expense/(benefit)	<u>(1,966)</u>	<u>(13,367)</u>
Deferred tax expense		
Movement in temporary differences	12,297	15,243
Income tax (benefit)/expense	<u>10,331</u>	<u>1,876</u>

(iii) Numerical reconciliation of income tax expense to prima facie tax payable

	2024	2023
	\$'000	\$'000
Operating result before income tax expense	369,530	287,502
Tax at the Australian rate of 15% (2023 – 15%)	55,430	43,125
Discount on capital gains	(9,823)	(3,947)
Non-taxable investment market value movement	(17,931)	(16,314)
Insurance premiums deductible	(460)	(517)
Non-deductible expenses	2,980	2,586
Other non-assessable income	(9,820)	(6,596)
Imputation and foreign tax credits	(6,897)	(10,941)
Adjustments for current tax of prior periods	(3,148)	(5,520)
Income tax (benefit)/expense	<u>10,331</u>	<u>1,876</u>

In addition to the above \$20,509,785 (2023: \$17,653,998) is recognised in the statement of changes in member benefits relating to tax on contributions deducted from member accounts.

(iv) Deferred tax balances

The balance comprises temporary differences attributable to:

	2024	2023
	\$'000	\$'000
Deferred tax assets/ (liabilities)		
Financial assets measured at fair value through profit or loss Australian rate of 15% (2023 – 15%)	(20,237)	(7,895)
Accrued income/(expenses)	37	(10)
Net deferred tax assets/ (liabilities)	<u>(20,200)</u>	<u>7,905</u>

The movements in temporary differences during the year are:

	Beginning of year	Recognised in income	End of year
	\$'000	\$'000	\$'000
30 June 2024			
Changes in accrued income/(expenses)	(10)	47	37
Net changes in fair value of financial instruments	(7,895)	(12,342)	(20,237)
Deferred tax assets/(liabilities)	<u>(7,905)</u>	<u>(12,295)</u>	<u>(20,200)</u>
30 June 2023			
Changes in accrued income/(expenses)	26	(36)	(10)
Net changes in fair value of financial instruments	7,312	(15,207)	(7,895)
Deferred tax assets/(liabilities)	<u>7,338</u>	<u>(15,243)</u>	<u>(7,905)</u>

11. General administration expenses

	2024	2023
	\$'000	\$'000
Portfolio management fee	22,772	20,038
Advice fee	27,713	23,581
	<u>50,485</u>	<u>43,619</u>

12. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash at bank	25,090	26,503
	<u>25,090</u>	<u>26,503</u>

13. Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities

(a) Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities

	2024	2023
	\$'000	\$'000
Operating result after tax	27,471	20,309
Adjustments for:		
Net changes in financial instruments measured at fair value through the profit and loss	(264,752)	(229,992)
Net benefits allocated to defined contribution members	331,729	265,318
Change in operating assets and liabilities		
(Increase)/decrease in receivables	(8,324)	10,870
Increase/(decrease) in payables	20,066	311
Death and disability proceeds received from insurer	304	409
Income protection proceeds received from insurer	269	-
Insurance premiums paid	(3,038)	(3,483)
Net cash inflow/(outflow) from operating activities	<u>103,725</u>	<u>63,742</u>

(b) Non-cash financing and investing activities

There were no non-cash financing activities during the year.

14. Commitments

There are no commitments the Trustee is aware of as at 30 June 2024.

15. Contingent liabilities and contingent assets

There are no outstanding contingent assets or liabilities as at 30 June 2024 and 30 June 2023.

16. Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

17. Related party transactions

(a) Trustee

The Trustee of The Praemium SMA Superannuation Fund is Diversa Trustees Limited. Trustee fees are paid directly by the Sponsor. The compensation received or due and receivable by the Trustee from the Sponsor in connection with the trusteeship of the Fund was \$1,441,676 (30 June 2023 \$1,420,471).

(b) Directors

Key management personnel includes persons who were directors of Diversa Trustees Limited at any time during the financial year as follows:

V. Plant (Chairperson), appointed 4 May 2017.
A. Peterson, appointed 28 June 2019
F. McNabb, appointed 28 June 2019
R. Beard, appointed 16 February 2021, resigned 27 July 2024
S. Thomas, appointed 15 August 2022
M. Walter, appointed on 26 June 2023

None of the directors nor the Trustee are or were members of the Fund.

(c) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

(d) Remuneration of directors of the Trustee

The directors of the Trustee do not receive remuneration directly from the Fund.

(e) Other entities with significant influence over the Fund

Sponsor

The Sponsor of the Fund is Praemium Australia Limited ABN (92 117 611 784) AFSL (297956).

The Sponsor receives fees for operating the Managed Investment Schemes in which the Fund invests. Fees paid or payable to the Sponsor are included in portfolio management fees amounting to \$22,772,304 (2023: \$20,038,342). Fees are disclosed in the Fund Product Disclosure Statement (PDS) and are reported in the Income Statement.

The Sponsor is responsible for paying costs associated with the running of the Fund, including trustee fees, audit fees and administration fees.

Investments

The Fund held investments in the scheme which are also managed by the Sponsor. The investments are disclosed on the balance sheet.

Investment held

	2024	2023
	\$'000	\$'000
Praemium Separately Managed Account Service	4,553,940	3,805,473
	<u>4,553,940</u>	<u>3,805,473</u>

There were no other transactions between the Sponsor and the Fund during the year.

Administrator

The Administrator of the Fund is OneVue Super Services Pty Limited ABN (74 006 877 872) AFSL (246883).

Administration fees are paid directly by the Sponsor. Amounts paid to the Administrator in the form of fee and reimbursements to 30 June 2024 was \$2,695,000 (2023: \$2,608,179)

There were no other transactions between the Administrator and the Fund during the year.

18. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor(s) of the Fund:

Audit Services	2024	2023
	\$'000	\$'000
Auditor of the Fund – Deloitte		
Audit and review of financial statements and regulatory audit services	130	130
Other Audit Services – Risk Management Framework review		
Audit and review of the risk management framework	4	4
Total	<u>134</u>	<u>134</u>

Auditors' remuneration is paid by the Sponsor.

Trustees' declaration

In the opinion of the directors of the Trustee of The Praemium SMA Superannuation Fund

- (a) the financial statements and notes set out on pages 3 to 26 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporation Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and

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



Director

Melbourne
30/09/2024

Independent Auditor's Report to the Members of the Praemium SMA Superannuation Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Praemium SMA Superannuation Fund (the "RSE"), which comprises the statement of financial position as at 30 June 2024, the income statement, the statement of changes in member benefits, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Praemium SMA Superannuation Fund is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Praemium SMA Superannuation Fund's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted the 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 RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the RSE Licensee ("the directors"), would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in Praemium SMA Superannuation Fund's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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*. The Directors are also responsible for such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the RSE or cease operations, or has 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 are 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 the Australian Auditing Standards, we exercised professional judgement and maintained professional scepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial report, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained 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 RSE's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Concluded on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report, or if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 2-3 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of the Praemium SMA Superannuation Fund, for the year ended 30 June 2024, complies with section 300C of the *Corporations Act 2001*.

Responsibilities

The Directors are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300C of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Adam Kuziow
Partner
Chartered Accountants
Melbourne, 30 September 2024