

Ventura Funds

Annual report

For the year ended 30 June 2020

This financial report covers the following Ventura Funds:

Ventura Australian Shares Fund

ARSN 099 585 350

Ventura Australian Opportunities Fund

ARSN 112 398 991

Ventura International Shares Fund

ARSN 099 585 145

Ventura Funds

Annual report

For the year ended 30 June 2020

Contents

Directors' report
Auditor's independence declaration
Statements of comprehensive income
Statements of financial position
Statements of changes in equity
Statements of cash flows
Notes to the financial statements
Directors' declaration
Independent auditor's report to the unit holders of the Ventura Funds

This annual report covers the following Funds as individual entities:

Ventura Australian Shares Fund
Ventura Australian Opportunities Fund
Ventura International Shares Fund

The Responsible Entity of the Ventura Funds is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:
Level 1, 575 Bourke Street
Melbourne, VIC 3000.

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of the Ventura Funds (the "Funds"), present their report together with the financial statements of the following Funds for the year ended 30 June 2020:

Ventura Australian Shares Fund
 Ventura Australian Opportunities Fund
 Ventura International Shares Fund

The Funds are collectively known as the "Ventura Funds".

Principal activities

The Funds invest in unlisted managed investment schemes in accordance with the Product Disclosure Statement and the provisions of the Funds' Constitution.

The Funds did not have any employees during the year.

There were no significant changes in the nature of the Funds' activities during the year.

The various service providers for the Funds are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Ventura Investment Management Ltd
Sub-Investment Manager	Russell Investment Management Ltd
Custodian and Administrator	National Australia Bank Limited
Statutory Auditor	Deloitte Touche Tohmatsu

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the year and up to the date of this report:

Philip D Gentry	(Chairman)
Harvey H Kalman	(resigned 1 September 2020)
Ian C Westley	(resigned 3 July 2020)
Michael J O'Brien	
Russell W Beasley	(appointed 1 September 2020)

Review and results of operations

During the year, the Funds continued to invest their funds in accordance with the Product Disclosure Statement and the provisions of the Funds' Constitution.

The Funds' performance and benchmark returns for the year ended 30 June 2020 were as follows:

Fund name	Benchmark	Net return (net of fees) %	Benchmark return %
Ventura Australian Shares Fund	S&P/ASX 300 Accumulation Index	-9.62	-7.61
Ventura Australian Opportunities Fund	S&P/ASX 300 Accumulation Index	-10.23	-7.61
Ventura International Shares Fund	Russell Developed large Cap Index - Net	1.06	8.49

Directors' report (continued)

Review and results of operations (continued)

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

	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
	Year ended		Year ended		Year ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$	\$	\$'000	\$'000
Operating profit/(loss) for the year	(1,448)	1,118	(417,760)	359,396	165	1,161
Distributions - Wholesale						
Distributions paid and payable	525	601	54,873	406,726	29	100
Distributions (cents per unit)	4.6434	4.3681	3.1054	17.2188	0.5054	1.3986
Distributions - Class A						
Distributions paid and payable	71	78	38,856	241,137	8	20
Distributions (cents per unit)	6.2441	6.2345	3.7172	19.5390	1.3314	2.8536

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the financial year.

Matters subsequent to the end of the financial year

Ian C Westley resigned as a director of Equity Trustees Limited on 3 July 2020.

Harvey H Kalman resigned as a director of Equity Trustees Limited on 1 September 2020.

Russell W Beasley was appointed as a director of Equity Trustees Limited on 1 September 2020.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may have a significant effect on:

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

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Funds' Constitution.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds 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.

Directors' report (continued)

Likely developments and expected results of operations (continued)

COVID-19 Outbreak

In March 2020, the World Health Organisation (WHO) officially declared COVID-19 a pandemic.

The Directors and the Investment Manager acknowledge the current outbreak of COVID-19 and the increased market volatility it has created within the markets the Funds operates. This volatility has had a corresponding impact on the fair value of the Funds' investment portfolio both during the financial year as well as subsequent to the reporting date.

The Responsible Entity and Investment Manager are monitoring developments closely, noting that given the nature of the outbreak and the ongoing developments, there is a high degree of uncertainty and therefore it is not possible at this time to predict the extent and nature of the overall future impact on the Funds. The Investment Manager however, actively manages the financial risks that the Funds are exposed to, with the approach outlined further within Note 3 of these Financial Statements and the Net Asset Values of the Funds continue to be valued in accordance with the frequency set out in the Funds' Offer Documents, applying valuation policies reflective of the prevailing market conditions.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Funds' Constitution and the Law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

Indemnification of auditor

The auditor of the Funds is in no way indemnified out of the assets of the Funds.

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

Fees paid to the Responsible Entity and its associates out of Funds' property during the year are disclosed in Note 15 to the financial statements.

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

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 15 to the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in Note 8 to the financial statements.

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

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars or dollar

Amounts in the Directors' report have been rounded to the nearest thousand dollars or dollar in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Financial statements presentation

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

Directors' report (continued)

Auditor's independence declaration

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

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
10 September 2020

10 September 2020

The Board of Directors
Equity Trustees Limited
Level 1, 575 Bourke Street
MELBOURNE VIC 3000

Dear Board Members,

Independence Declaration – Ventura Funds

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Equity Trustees Limited, the Responsible Entity, regarding the financial reports of Ventura Australian Opportunities Fund, Ventura Australian Shares Fund and Ventura International Shares Fund (collectively the "Ventura Funds" or the "Funds").

As lead audit partner for the audits of the financial statements of the Funds for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Chester Hii
Partner
Chartered Accountants

Statements of comprehensive income

	Note	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
		Year ended		Year ended		Year ended	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$	\$	\$'000	\$'000
Investment income							
Interest income from financial assets at amortised cost		-	1	44	177	-	-
Distribution income		631	719	83,729	399,226	37	143
Net gains/(losses) on financial instruments at fair value through profit or loss	5	(2,045)	439	(497,289)	(34,196)	146	1,041
Other operating income		-	-	80	-	-	-
Total investment income/(loss)		(1,414)	1,159	(413,436)	365,207	183	1,184
Expenses							
Management fees	15	34	41	4,324	5,811	18	23
Total expenses		34	41	4,324	5,811	18	23
Operating profit/(loss) for the year		(1,448)	1,118	(417,760)	359,396	165	1,161
Finance costs attributable to unit holders							
Distributions to unit holders	9	(596)	(679)	(93,729)	(647,863)	(37)	(120)
(Increase)/decrease in net assets attributable to unit holders	8	2,044	(439)	511,489	288,467	(128)	(1,041)
Profit/(loss) for the year		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of financial position

	Note	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
		As at		As at		As at	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$	\$	\$'000	\$'000
Assets							
Cash and cash equivalents	10	64	134	4,792	4,979	31	96
Receivables	12	360	303	57,533	332,306	37	134
Receivable for units redeemed		304	8	229,000	2,000	406	9
Financial assets at fair value through profit or loss	6	12,622	17,164	3,269,660	5,149,949	8,972	11,707
Total assets		13,350	17,609	3,560,985	5,489,234	9,446	11,946
Liabilities							
Distributions payable	9	344	290	80,905	647,863	14	114
Payables	13	311	134	226,358	2,718	422	99
Total liabilities (excluding net assets attributable to unit holders)		655	424	307,263	650,581	436	213
Net assets attributable to unitholders - liability	8	12,695	17,185	3,253,722	4,838,653	9,010	11,733

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

Statements of changes in equity

	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
	Year ended		Year ended		Year ended	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$'000	30 June 2019 \$'000
Total equity at the beginning of the financial year*	-	-	-	-	-	-
Profit/(loss) for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transactions with owners in their capacity as owners	-	-	-	-	-	-
Total equity at the end of the financial year*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year.

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

Statements of cash flows

	Note	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
		Year ended		Year ended		Year ended	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$	\$	\$'000	\$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		2,672	5,355	1,510,000	1,776,000	2,541	6,424
Payments for purchase of financial instruments at fair value through profit or loss		(471)	(402)	(354,000)	(429,000)	(57)	(68)
Interest income received from financial assets at amortised cost		-	1	44	177	-	-
Distributions received		577	620	358,396	614,913	167	115
Management fees paid		(37)	(42)	(4,739)	(6,004)	(19)	(25)
GST received/(paid)		3	1	367	986	1	2
Other revenue received		-	-	80	-	-	-
Net cash inflow/(outflow) from operating activities	11(a)	2,744	5,533	1,510,148	1,957,072	2,633	6,448
Cash flows from financing activities							
Proceeds from applications by unit holders		538	292	102,013	57,600	156	123
Payments for redemptions by unit holders		(2,820)	(5,187)	(951,672)	(1,772,806)	(2,721)	(6,453)
Distributions paid to unit holders		(532)	(568)	(660,676)	(240,217)	(133)	(99)
Net cash inflow/(outflow) from financing activities		(2,814)	(5,463)	(1,510,335)	(1,955,423)	(2,698)	(6,429)
Net increase/(decrease) in cash and cash equivalents		(70)	70	(187)	1,649	(65)	19
Cash and cash equivalents at the beginning of the year		134	64	4,979	3,330	96	77
Cash and cash equivalents at the end of the year	10	64	134	4,792	4,979	31	96
Non-cash operating and financing activities	11(b)	10	10	11	3	4	2

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

Notes to the financial statements

Contents

1	General information
2	Summary of significant accounting policies
3	Financial risk management
4	Fair value measurement
5	Net gains/(losses) on financial instruments at fair value through profit or loss
6	Financial assets at fair value through profit or loss
7	Structured entities
8	Net assets attributable to unit holders - liability
9	Distributions to unit holders
10	Cash and cash equivalents
11	Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities
12	Receivables
13	Payables
14	Remuneration of auditor
15	Related party transactions
16	Events occurring after the reporting period
17	Contingent assets and liabilities and commitments

1 General information

These financial statements cover the below Funds (the "Funds") as individual entities. The Funds are Australian registered managed investment schemes which were constituted on the dates in the below table and will terminate in accordance with the provisions of the Funds' Constitution or by Law.

Ventura Australian Shares Fund	12 February 2002
Ventura Australian Opportunities Fund	6 January 2005
Ventura International Shares Fund	12 February 2002

The Responsible Entity of the Funds is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The principal activity of each Fund is to invest in accordance with the investment objective and guidelines as set out in the Funds' current Product Disclosure Statement and Constitution.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated 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 (AASB) and the *Corporations Act 2001* in Australia. The Funds are for-profit entities for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The statements of financial position are 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 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Funds manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

i. Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Funds also comply with IFRS as issued by the International Accounting Standards Board (IASB).

ii. New and amended standards adopted by the Funds

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2019 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

iii. New standards, amendments and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2020 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 Funds.

2 Summary of significant accounting policies (continued)

(b) Financial instruments

i. Classification

- Financial assets

The Funds classify their financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Funds classify their financial assets based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Funds' portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds' policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

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

For cash and cash equivalents and receivables, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable, management fees payable and redemptions payable).

ii. Recognition and derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Funds have transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expired.

iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Funds measure a financial asset and a financial liability at their fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statements of comprehensive income.

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

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents, receivables for units redeemed and receivables are carried at amortised cost.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

iv. Impairment

At each reporting date, the Funds shall measure the loss allowance on financial assets at amortised cost (cash, receivable for units redeemed and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Funds expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

v. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when the Funds have 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.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statements of financial position.

(c) Net assets attributable to unit holders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders. The units are classified as financial liabilities.

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

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Funds.

(d) Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less 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 operating activities, as trading of these securities represent the Funds' main income generating activity.

2 Summary of significant accounting policies (continued)

(e) Investment income

i. Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Funds estimate cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

ii. Distributions

Trust distributions are recognised on an entitlement basis.

(f) Expenses

All expenses are recognised in the statements of comprehensive income on an accrual basis.

(g) Income tax

Under current legislation, the Funds are not subject to income tax provided they attribute the entirety of their taxable income to their unit holders.

(h) Distributions

The Funds may distribute their distributable income, in accordance with the Funds' Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statements of comprehensive income as finance cost attributable to unit holders.

(i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. As the Funds' units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statements of comprehensive income as finance costs.

(j) Functional and presentation currency

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

(k) Amounts receivable for units redeemed/payable for units purchased

Amounts receivable for units redeemed/payable for units purchased that have been contracted for but not yet delivered by year end. Trades are recorded on trade date, and normally settled within two business days. A provision for impairment of amounts receivable for units redeemed is established when there is objective evidence that the Funds will not be able to collect all amounts due from the fund manager. Indicators that the amount receivable for units redeemed is impaired include significant financial difficulties of the fund manager, and the probability that the fund manager will enter into bankruptcy or financial reorganisation and default in payments.

(l) Receivables

Receivables may include amounts for interest and trust distributions. Trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

2 Summary of significant accounting policies (continued)

(m) Payables

Payables include liabilities and accrued expenses owed by the Funds which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statements of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

(n) Applications and redemptions

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

(o) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as management, administration and custodian services where applicable, have been passed on to the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statements of financial position. Cash flows relating to GST are included in the statements of cash flows on a gross basis.

(p) Use of estimates and judgements

The Funds make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Funds estimate the expected credit loss (ECL) using impairment model, which has not materially impacted the Funds. Please see Note 3 for more information on credit risk.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations, require management to make estimates and judgements. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how fair value is calculated refer to Note 4 to the financial statements.

(q) Rounding of amounts

The Funds are entities of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars or dollar unless otherwise indicated.

(r) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Financial risk management

The Funds' activities expose them to a variety of financial risks including market risk (which incorporates price risk and interest rate risk), credit risk and liquidity risk.

The Funds' overall risk management programme focuses on ensuring compliance with the Funds' Product Disclosure Statement and the investment guidelines of the Funds. They also seek to maximise the returns derived for the level of risk to which the Funds are exposed and seek to minimise potential adverse effects on the Funds' financial performance.

All securities investments present a risk of loss of capital. The maximum loss of capital on unlisted unit trusts is limited to the fair value of those positions.

The investments of the Funds, and associated risks, are managed by a specialist Investment Manager, Ventura Investment Management Ltd ("Ventura"), under an Investment Management Agreement (the "IMA") approved by the Responsible Entity, and containing the investment strategy and guidelines of the Funds, consistent with those stated in the Product Disclosure Statement. Ventura has appointed a Sub-Investment Manager, Russell Investment Management Ltd, under a Sub-Investment Management Agreement (sub IMA).

The Funds use different methods to measure different types of risk to which they are exposed. These methods are explained below.

(a) Market risk

i. Price risk

The Funds are exposed to price risk on investments in managed investment scheme. Price risk arises from investments held by the Funds for which prices in the future are uncertain.

Price risk is managed by the Sub-Investment Manager. The Funds' Sub-Investment Manager mitigates price risk through diversification and a careful selection of securities and other financial instruments in accordance with the investment mandate of the Funds.

The Funds' overall market positions are monitored on a regular basis by the Funds' Sub-Investment Manager. This information and the compliance with the Funds' Product Disclosure Statement are reported to the Investment Manager's compliance manager and other key management personnel.

The Investment Manager continues to consider the potential implications of coronavirus, which may include volatility in valuation of investments. However, at this stage the financial impact of the virus is not able to be estimated due to the general level of uncertainty.

The table at Note 3(b) summarises the sensitivities of the Funds' assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Funds invest move by +/- 10% (2019: +/-10%).

ii. Interest rate risk

The Funds have no significant direct interest rate risk as at 30 June 2020 and 30 June 2019.

3 Financial risk management (continued)

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Funds' operating profit and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and the historical correlation of the Funds' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Funds invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on operating profit/net assets attributable to unit holders			
	Price risk			
	As at 30 June 2020		As at 30 June 2019	
	-10%	+10%	-10%	+10%
Ventura Australian Shares Fund (\$'000)	(1,262)	1,262	(1,716)	1,716
Ventura Australian Opportunities Fund (\$)	(326,966)	326,966	(514,995)	514,995
Ventura International Shares Fund (\$'000)	(897)	897	(1,171)	1,171

(c) Credit risk

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

The Funds do not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Funds are exposed, arises from cash and cash equivalents and receivable for units redeemed by the Funds. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents and amounts receivable for units redeemed by the Funds.

(d) Liquidity risk

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

Exposure to liquidity risk for the Funds may arise from the requirement to meet daily unit holder redemption requests.

The Sub-Investment Manager monitors the Funds' liquidity position on a regular basis. This information and the compliance with the Funds' policy are reported to the Investment Manager's compliance manager and other key management personnel.

In order to manage the Funds' overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Funds did not reject or withhold any redemptions during 2020 and 2019.

Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Funds in the current period have maturities of less than 1 month.

4 Fair value measurement

The Funds measure and recognise financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets at fair value through profit or loss (see Note 6)

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

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The Funds value their investments in accordance with the accounting policies set out in Note 2 to the financial statements.

(a) Fair value in an inactive or unquoted market (level 2)

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

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the Investment Managers of such funds. The Funds may make adjustments to the value based on considerations such as: liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

(b) Recognised fair value measurements

The table below presents the Funds' financial assets measured and recognised at fair value as at 30 June 2020:

Ventura Australian Shares Fund

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2020				
Financial assets				
Unlisted unit trusts	-	12,622	-	12,622
Total financial assets	-	12,622	-	12,622
As at 30 June 2019				
Financial assets				
Unlisted unit trusts	-	17,164	-	17,164
Total financial assets	-	17,164	-	17,164

4 Fair value measurement (continued)

(b) Recognised fair value measurements (continued)

Ventura Australian Opportunities Fund

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 30 June 2020				
Financial assets				
Unlisted unit trusts	-	<u>3,269,660</u>	-	<u>3,269,660</u>
Total financial assets	<u>-</u>	<u>3,269,660</u>	<u>-</u>	<u>3,269,660</u>

As at 30 June 2019

Financial assets				
Unlisted unit trusts	-	<u>5,149,949</u>	-	<u>5,149,949</u>
Total financial assets	<u>-</u>	<u>5,149,949</u>	<u>-</u>	<u>5,149,949</u>

Ventura International Shares Fund

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2020				
Financial assets				
Unlisted unit trusts	-	<u>8,972</u>	-	<u>8,972</u>
Total financial assets	<u>-</u>	<u>8,972</u>	<u>-</u>	<u>8,972</u>

As at 30 June 2019

Financial assets				
Unlisted unit trusts	-	<u>11,707</u>	-	<u>11,707</u>
Total financial assets	<u>-</u>	<u>11,707</u>	<u>-</u>	<u>11,707</u>

(c) Transfer between levels

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

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(d) Financial instruments not carried at fair value

The carrying values of receivables and payables are assumed to approximate their fair values due to their short term nature.

Net assets attributable to unit holders' carrying value differs from their fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior year.

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

Net gains/(losses) recognised in relation to financial assets and liabilities at fair value through profit or loss:

	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
	Year ended		Year ended		Year ended	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$'000	30 June 2019 \$'000
Financial assets						
Net realised gain/(loss) on financial assets at fair value through profit or loss	(58)	(70)	(39,348)	(90,955)	78	161
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	(1,987)	509	(457,941)	56,759	68	880
Total net gains/(losses) on financial instruments at fair value through profit or loss	(2,045)	439	(497,289)	(34,196)	146	1,041

6 Financial assets at fair value through profit or loss

	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
	As at		As at		As at	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$'000	30 June 2019 \$'000
Unlisted unit trusts	12,622	17,164	3,269,660	5,149,949	8,972	11,707
Total financial assets at fair value through profit or loss	12,622	17,164	3,269,660	5,149,949	8,972	11,707

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

7 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 arrangement.

The Funds consider all investments in managed investment schemes (the "Schemes") to be structured entities. The Funds invest in Schemes for the purpose of capital appreciation and or earning investment income.

The exposure to investments in unrelated Schemes at fair value is disclosed in the following table:

	Fair value of investment		Interest held	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 %	30 June 2019 %
Ventura Australian Shares Fund				
Russell Australian Shares Fund	<u>12,622</u>	17,164	6.03	6.78
Total unrelated Schemes	<u>12,622</u>	<u>17,164</u>		

	Fair value of investment		Interest held	
	30 June 2020 \$	30 June 2019 \$	30 June 2020 %	30 June 2019 %
Ventura Australian Opportunities Fund				
Russell Australian Opportunities Fund	<u>3,269,660</u>	5,149,949	1.48	2.03
Total unrelated Schemes	<u>3,269,660</u>	<u>5,149,949</u>		

	Fair value of investment		Interest held	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 %	30 June 2019 %
Ventura International Shares Fund				
Russell International Shares Fund	<u>8,972</u>	11,707	2.88	2.99
Total unrelated Schemes	<u>8,972</u>	<u>11,707</u>		

The fair value of the Schemes is included in financial assets at fair value through profit or loss in the statements of financial position.

The Funds' maximum exposure to loss from their interest in the Schemes is equal to the fair value of their investments in the Schemes as there are no off-balance sheet exposures relating to any of the Schemes. Once the Funds have disposed of their units in a Scheme they cease to be exposed to any risk from that Scheme.

During the year ended 30 June 2020 the Funds' total gains/(losses) incurred on investments in the unrelated Schemes and the distribution income earned as a result of their interests in the unrelated Schemes were as follows:

	Total gains/(losses)		Distribution income	
	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
Ventura Australian Shares Fund	(2,044,798)	438,862	630,519	719,318
Ventura Australian Opportunities Fund	(497,289)	(34,196)	83,729	399,226
Ventura International Shares Fund	145,507	1,041,023	36,575	142,702

8 Net assets attributable to unit holders - liability

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

Ventura Australian Shares Fund

	Year ended		30 June 2019 \$'000
	30 June 2020 Units '000	30 June 2019 Units '000	
Wholesale			
Opening balance	12,954	16,490	19,044
Applications	367	201	228
Redemptions	(2,370)	(3,740)	(4,285)
Reinvestment of distributions	2	3	2
Increase/(decrease) in net assets attributable to unit holders	-	-	1,012
Closing balance	10,953	12,954	16,001

Class A

Opening balance	1,209	1,851	2,694
Applications	108	42	62
Redemptions	(193)	(689)	(1,007)
Reinvestment of distributions	5	5	8
Increase/(decrease) in net assets attributable to unit holders	-	-	(573)
Closing balance	1,129	1,209	1,184

Total closing balance

12,695 **17,185**

Ventura Australian Opportunities Fund

	Year ended		30 June 2019 \$
	30 June 2020 Units	30 June 2019 Units	
Wholesale			
Opening balance	2,362,108	3,433,796	4,703,766
Redemptions	(635,698)	(1,071,690)	(1,466,165)
Reinvestment of distributions	9	2	3
Increase/(decrease) in net assets attributable to unit holders	-	-	(180,972)
Closing balance	1,726,419	2,362,108	3,056,632

Class A

Opening balance	1,234,135	1,398,942	2,139,013
Applications	71,363	37,498	57,600
Redemptions	(275,735)	(202,305)	(307,097)
Increase/(decrease) in net assets attributable to unit holders	-	-	(107,495)
Closing balance	1,029,763	1,234,135	1,782,021

Total closing balance

3,253,722 **4,838,653**

8 Net assets attributable to unit holders - liability (continued)

Ventura International Shares Fund

	Year ended			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
Wholesale				
Opening balance	7,092	9,752	10,114	12,885
Applications	41	49	59	66
Redemptions	(1,852)	(2,710)	(2,721)	(3,675)
Reinvestment of distributions	1	1	2	1
Increase/(decrease) in net assets attributable to unit holders	-	-	116	837
Closing balance	5,282	7,092	7,570	10,114
Class A				
Opening balance	677	1,896	1,619	4,199
Applications	54	25	130	57
Redemptions	(132)	(1,244)	(323)	(2,842)
Reinvestment of distributions	-	-	2	1
Increase/(decrease) in net assets attributable to unit holders	-	-	12	204
Closing balance	599	677	1,440	1,619
Total closing balance			9,010	11,733

As stipulated within the Funds' Constitution, each unit represents a right to an individual share in the Funds and does not extend to a right in the underlying assets of the Funds.

There are two separate classes of units. Each unit within the same class has the same rights as all other units within that class. Each unit class has a different management fee rate.

Units are redeemed on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Funds consider their net assets attributable to unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

9 Distributions to unit holders

The distributions declared during the year were as follows:

Ventura Australian Shares Fund

	Year ended		Year ended	
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions - Wholesale				
September	38	0.2992	73	0.4721
December	151	1.2859	167	1.1543
March	32	0.2841	103	0.7497
June (payable)	304	2.7742	258	1.9920
Total distributions	525	4.6434	601	4.3681
Distributions - Class A				
September	6	0.4754	11	1.0357
December	20	1.7264	23	1.5487
March	5	0.4523	12	1.0357
June (payable)	40	3.5900	32	2.6144
Total distributions	71	6.2441	78	6.2345
Total distributions	596		679	

Ventura Australian Opportunities Fund

	Year ended		Year ended	
	30 June 2020 \$	30 June 2020 CPU	30 June 2019 \$	30 June 2019 CPU
Distributions - Wholesale				
September	-	-	-	-
December	7,044	0.3350	-	-
March	-	-	-	-
June (payable)	47,829	2.7704	406,726	17.2188
Total distributions	54,873	3.1054	406,726	17.2188
Distributions - Class A				
September	-	-	-	-
December	5,780	0.5051	-	-
March	-	-	-	-
June (payable)	33,076	3.2121	241,137	19.5390
Total distributions	38,856	3.7172	241,137	19.5390
Total distributions	93,729		647,863	

9 Distributions to unit holders (continued)

Ventura International Shares Fund	Year ended		Year ended	
	30 June	30 June	30 June	30 June
	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Distributions - Wholesale				
September	3	0.0379	4	0.0435
December	6	0.0921	-	-
March	9	0.1603	-	-
June (payable)	11	0.2151	96	1.3551
Total distributions	<u>29</u>	<u>0.5054</u>	<u>100</u>	<u>1.3986</u>
Distributions - Class A				
September	1	0.1930	2	0.1916
December	2	0.2874	-	-
March	2	0.4009	-	-
June (payable)	3	0.4501	18	2.6620
Total distributions	<u>8</u>	<u>1.3314</u>	<u>20</u>	<u>2.8536</u>
Total distributions	<u>37</u>		<u>120</u>	

10 Cash and cash equivalents

	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
	As at		As at		As at	
	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$	\$	\$'000	\$'000
Cash at bank	<u>64</u>	134	<u>4,792</u>	4,979	<u>31</u>	96
Total cash and cash equivalents	<u>64</u>	<u>134</u>	<u>4,792</u>	<u>4,979</u>	<u>31</u>	<u>96</u>

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

	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
	Year ended		Year ended		Year ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$	\$	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Profit/(loss) for the year	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to unit holders	(2,044)	439	(511,489)	(288,467)	128	1,041
Distributions to unit holders	596	679	93,729	647,863	37	120
Proceeds from sale of financial instruments at fair value through profit or loss	2,672	5,355	1,510,000	1,776,000	2,541	6,424
Payments for purchase of financial instruments at fair value through profit or loss	(471)	(402)	(354,000)	(429,000)	(57)	(68)
Net (gains)/losses on financial instruments at fair value through profit or loss	2,045	(439)	497,289	34,196	(146)	(1,041)
Net change in receivables	(54)	(98)	274,773	216,673	130	(28)
Net change in payables	-	(1)	(154)	(193)	-	-
Net cash inflow/(outflow) from operating activities	2,744	5,533	1,510,148	1,957,072	2,633	6,448
(b) Non-cash operating and financing activities						
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	10	10	11	3	4	2
Total non-cash operating and financing activities	10	10	11	3	4	2

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

12 Receivables

	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
	As at		As at		As at	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$	\$	\$'000	\$'000
Distributions receivable	351	297	57,396	332,063	-	130
Applications receivable	8	5	-	-	36	3
GST receivable	1	1	137	243	1	1
Total receivables	360	303	57,533	332,306	37	134

13 Payables

	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
	As at		As at		As at	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$	\$	\$'000	\$'000
Management fees payable	3	3	333	487	2	2
Redemptions payable	308	131	226,025	2,231	420	97
Total payables	311	134	226,358	2,718	422	99

14 Remuneration of auditor

During the year the following fees were paid or payable for services provided by the auditor to the Funds:

	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
	Year ended		Year ended		Year ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$
Deloitte Touche Tohmatsu						
<i>Audit and other assurance services</i>						
Audit of financial statements	9,308	9,180	9,308	9,180	9,511	9,380
Audit of compliance plan	5,000	3,260	5,000	3,260	5,000	3,260
Total remuneration for audit and other assurance services	14,308	12,440	14,308	12,440	14,511	12,640
<i>Taxation services</i>						
Tax compliance services	5,212	5,140	5,212	5,140	5,293	5,220
Total remuneration for taxation services	5,212	5,140	5,212	5,140	5,293	5,220
Total remuneration of Deloitte Touche Tohmatsu	19,520	17,580	19,520	17,580	19,804	17,860

The auditor's remuneration is borne by the Investment Manager. Fees are stated exclusive of GST.

15 Related party transactions

The Responsible Entity of Ventura Funds is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted the services of Ventura Investment Management Ltd, to act as Investment Manager, who has appointed a Sub-Investment Manager, Russell Investment Management Ltd, and National Australia Bank Limited to act as Custodian and Administrator for the Funds. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

i. Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial year and up to the date of this report.

Philip D Gentry	(Chairman)
Harvey H Kalman	(resigned 1 September 2020)
Ian C Westley	(resigned 3 July 2020)
Michael J O'Brien	
Russell W Beasley	(appointed 1 September 2020)

ii. Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Funds, directly or indirectly during the financial year.

(b) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

(c) Key management personnel unit holdings

Key management personnel did not hold units in the Funds as at 30 June 2020 (30 June 2019: nil).

(d) Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Funds to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

(e) Key management personnel loans

The Funds have not made, guaranteed or secured, directly or indirectly, any loans to key management personnel or their personally related entities at any time during the reporting period.

(f) Other transactions within the Funds

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

15 Related party transactions (continued)

(g) Responsible Entity fees, Investment Manager's fees and other transactions

Under the terms of the Funds' Constitution and Product Disclosure Statement of the Funds, the Responsible Entity and the Investment Manager are entitled to receive management fees.

The transactions during the year and amounts payable as at year end between the Funds, the Responsible Entity and the Investment Manager were as follows:

	Ventura Australian Shares Fund		Ventura Australian Opportunities Fund		Ventura International Shares Fund	
	As at		As at		As at	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$
Management fees for the year	34,341	41,199	4,324	5,811	18,226	22,607
Management fees payable at year end	2,795	3,423	333	487	1,515	1,794

For information on how management and performance fees are calculated please refer to the Fund's Product Disclosure Statement.

The management fees borne by the Funds are paid to the Investment Manager, who in turn provides the on-payment of the fees to the respective service providers. The on-payment of fees include Responsible Entity fees, Custodian and Administrator fees and other expenses.

Equity Trustees Limited earned \$90,834 (2019: \$90,000) for Responsible Entity services to the Funds. This equates to \$30,278 per Fund (2019: \$30,000 per Fund). The Responsible Entity fees are paid by the Investment Manager.

(h) Related party unit holdings

Parties related to the Funds (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) held no units in the Funds as at 30 June 2020 (30 June 2019: nil).

(i) Investments

The Funds did not hold any investments in Equity Trustees Limited or its related parties during the year (2019: nil).

16 Events occurring after the reporting period

No significant events have occurred since the end of the year which would impact on the financial position of the Funds as disclosed in the statements of financial position as at 30 June 2020 or on the results and cash flows of the Funds for the year ended on that date.

17 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2020 and 30 June 2019.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 7 to 30 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Funds' financial position as at 30 June 2020 and of their performance for the financial year ended on that date.
- (b) There are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; and
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
10 September 2020

Independent Auditor's Report to the Unit Holders of Ventura Funds

Opinion

We have audited the financial reports of Ventura Australian Opportunities Fund, Ventura Australian Shares Fund and Ventura International Shares Fund (collectively the "Ventura Funds" or the "Funds") which comprises the statements of financial position as at 30 June 2020, the statements of comprehensive income, the statements of cash flows and the statements of changes in equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

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

- (i) giving a true and fair view of the Funds' financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audits in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Funds in accordance with the auditor independence requirements of 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 audits of the financial reports 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 Responsible Entity of the Funds (the "Directors"), would be in the same terms if given to Directors as at the time of this auditor's report.

We believe that 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 the Directors' report for the year ended 30 June 2020, but does not include the financial reports and our auditor's report thereon.

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

In connection with our audits of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audits, 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 Reports

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

In preparing the financial reports, the Directors are responsible for assessing the ability of the Funds 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 intend to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audits of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports 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 the 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 these financial reports.

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

- Identify and assess the risks of material misstatement of the financial reports, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits 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 Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude 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 Funds' 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 reports or, if such disclosures are inadequate, to modify our 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 Funds to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Chester Hii
Partner
Chartered Accountants

Melbourne, 10 September 2020