

12 Derivative financial instruments (continued)

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

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

Risk exposures and fair value measurements

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

13 Financial risk management

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

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

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

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

13 Financial risk management (continued)

(a) Market risk

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

(i) Price risk

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

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

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

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

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

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

13 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

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

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

(ii) Foreign exchange risk

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

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

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

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

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

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

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

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

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

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

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

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

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

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

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

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

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

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

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

(iii) Interest rate risk

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

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

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

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

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

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

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

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

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

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

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

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

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

(b) Credit risk

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

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

(c) Liquidity risk

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

13 Financial risk management (continued)

(c) Liquidity risk (continued)

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

(i) Maturities of non-derivative financial liabilities

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

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

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

13 Financial risk management (continued)

(c) Liquidity risk (continued)

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

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

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

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

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

13 Financial risk management (continued)

(c) Liquidity risk (continued)

(ii) Maturities of net settled derivative financial instruments

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

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

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

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

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

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

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

14 Offsetting financial assets and financial liabilities

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

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

14 Offsetting financial assets and financial liabilities (continued)

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

14 Offsetting financial assets and financial liabilities (continued)

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

14 Offsetting financial assets and financial liabilities (continued)

(i) Master netting arrangement – currently enforceable

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

15 Fair value measurement

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

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

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

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

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

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

All fair value measurement disclosed are recurring fair value measurements.

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

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

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

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

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

15 Fair value measurement (continued)

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

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

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

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

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

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

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

15 Fair value measurement (continued)

Recognised fair value measurement

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

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

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

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

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

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

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

(i) Transfers between levels

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

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

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

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

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

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

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

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

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

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

16 Other expenses

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

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

17 Related party transactions

Responsible Entity

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

Key management personnel

(a) Directors

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

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

Other transactions within the Funds

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

17 Related party transactions (continued)

Responsible Entity's fees and other transactions

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

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

Relationship with UBS AG Australia Branch and UBS Securities Australia Limited

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

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

17 Related party transactions (continued)

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

Related party unitholdings

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

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

30 June 2023

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

30 June 2022

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

17 Related party transactions (continued)

Related party unitholdings (continued)

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

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

30 June 2022

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

17 Related party transactions (continued)

Related party unitholdings (continued)

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

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

30 June 2022

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

Other transactions within the Funds

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

18 Segment information

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

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

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

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

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

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

20 Events occurring after the reporting date

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

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

21 Contingent assets and liabilities and commitments

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

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

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

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



A Telfer
Chairman



G W Rice
Director

Sydney
25 September 2023



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working world**

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

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

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

Opinion

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

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

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

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

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

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

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



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

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

Ernst & Young

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

Elliott Shadforth
Partner
Sydney
25 September 2023