



UBS Investment Funds Annual Financial Statements For the year ended 30 June 2023

The Responsible Entity of UBS Investment Funds is UBS Asset Management (Australia) Ltd (ABN 31 003 146 290) ("AFS Licence No 222 605").
The Responsible Entity's registered office is Level 16 Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

The UBS Investment Funds consists of 2 separate schemes:

UBS CBRE Global Real Assets Fund
ARSN 640 366 301

UBS CBRE Global Real Assets Sub Trust

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**UBS Investment Funds
Directors' Report
For the year ended 30 June 2023**

Directors' Report

The directors of UBS Asset Management (Australia) Ltd, the Responsible Entity of UBS CBRE Global Real Assets Fund and UBS CBRE Global Real Assets Sub Trust ("the Schemes") present their report together with the financial statements of the Schemes for the financial year ended 30 June 2023.

Schemes information

UBS CBRE Global Real Assets Fund is an Australian Registered Scheme and UBS Global Real Assets Sub Trust is an unregistered scheme. UBS Asset Management (Australia) Ltd, the Responsible Entity of the Schemes, is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Level 16 Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

Directors

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

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

Principal activities

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

The Schemes did not have any employees during the year.

The frequency of the scheme valuations and dealing has changed from daily to monthly effective 1 April 2023.

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

Review and results of operations

There have been no significant changes to the operations of the Schemes since the previous financial year. The Schemes continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Schemes and in accordance with the provisions of the Schemes' Constitutions.

The performance of the Schemes, as represented by the results of its operations, was as follows:

	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Total comprehensive income for the period	1,841	8,292	(186)	1,527
Total distributions paid and payable	<u>737</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Total distributions (cents per unit)	<u>0.75</u>	<u>2.06</u>	<u>-</u>	<u>-</u>
Total return (including both capital and distribution return) for the year assuming reinvestment of all distributions back into the Schemes (%)	<u>3.12</u>	<u>9.17</u>	<u>-</u>	<u>-</u>

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Schemes that occurred during the year under review.

Likely developments and expected results of operations

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

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

Indemnification and insurance of officers and auditors

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

Fees paid to the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Schemes assets during the financial year are disclosed in the Statements of Comprehensive Income under Expenses - Responsible Entity's fees. Responsible Entity's fees are further discussed in Note 15.

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

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

Interests in the Schemes

The movements in units on issue in the Schemes during the year are disclosed in Note 6 of the financial statements.

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

Environmental regulation

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

Environmental, social and governance (ESG) risks, including climate change, are identified, measured, monitored, reported and overseen in accordance with the Schemes' Risk Management Framework.

Financial year and comparative information

All Schemes' comparative information is for the financial year ended 30 June 2022 unless stated otherwise.

Events occurring after the financial year

Except as disclosed in Note 17 in the financial statements, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

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

Rounding of amounts to the nearest thousand dollars

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

The Scheme's financial statements are rounded to the nearest thousand dollars.

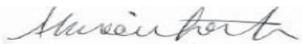
Single set of financial statements

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

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 5.

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



A Telfer
Chairman



G W Rice
Director

Sydney
25 September 2023



**Building a better
working world**

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

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

- ▶ UBS CBRE Global Real Assets Fund
- ▶ UBS CBRE Global Real Assets Sub Trust

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

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

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

Ernst & Young

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

Elliott Shadforth
Partner
25 September 2023

UBS Investment Funds
Statements of Comprehensive Income
For the year ended 30 June 2023

	Notes	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Investment income					
Dividend/Trust distribution income	3	4,190	6,204	-	-
Interest income		44	2	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	4	(7,895)	1,918	(197)	1,550
Net foreign exchange gains/(losses)		6,096	885	11	(23)
Other income		5	-	-	-
Total investment income/(loss)		2,440	9,009	(186)	1,527
Expenses					
Responsible Entity fees	15	599	465	-	-
Performance fees	15	-	252	-	-
Total expenses		599	717	-	-
Profit/(loss) before finance costs attributable to unitholders		1,841	8,292	(186)	1,527
Other comprehensive income for the financial year		-	-	-	-
Total comprehensive income for the year attributable to unitholders		1,841	8,292	(186)	1,527

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

UBS Investment Funds
Statements of Financial Position
As at 30 June 2023

	Notes	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets					
Cash and cash equivalents	16(b)	2,149	1,985	-	-
Receivables	9	2,231	5,623	-	-
Financial assets at fair value through profit or loss	8	<u>120,736</u>	<u>114,931</u>	<u>22,660</u>	<u>13,333</u>
Total assets		<u>125,116</u>	<u>122,539</u>	<u>22,660</u>	<u>13,333</u>
Liabilities					
Distributions payable	7	737	1,746	-	-
Payables	11	1,705	351	-	-
Financial liabilities at fair value through profit or loss	10	<u>2,308</u>	<u>240</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>4,750</u>	<u>2,337</u>	<u>-</u>	<u>-</u>
Net assets attributable to unitholders - equity	6	<u>120,366</u>	<u>120,202</u>	<u>22,660</u>	<u>13,333</u>

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

UBS Investment Funds
Statements of Changes in Equity
For the year ended 30 June 2023

	Notes	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Total equity at the beginning of the financial year		120,202	68,190	13,333	8,614
Comprehensive income for the financial year					
Profit/(loss) for financial year		<u>1,841</u>	<u>8,292</u>	<u>(186)</u>	<u>1,527</u>
Total comprehensive income/(loss) for the financial year		<u>1,841</u>	<u>8,292</u>	<u>(186)</u>	<u>1,527</u>
Transactions with unitholders					
Applications		31,898	60,199	9,513	3,192
Redemptions		(32,993)	(14,700)	-	-
Units issued upon reinvestment of distributions		155	221	-	-
Distributions paid and payable	7	<u>(737)</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>
Total equity at the end of the financial year		<u>120,366</u>	<u>120,202</u>	<u>22,660</u>	<u>13,333</u>

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

UBS Investment Funds
Statements of Cash Flows
For the year ended 30 June 2023

	Notes	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		63,568	23,562	3,180	-
Purchase of financial instruments at fair value through profit or loss		(57,894)	(64,126)	(12,693)	(3,192)
Dividends/Trust distributions received		(1,874)	(486)	-	-
Interest received		44	2	-	-
Other income received		5	-	-	-
Responsible Entity's fees paid		(822)	(501)	-	-
Performance fees paid		-	(1,286)	-	-
Net cash inflows/(outflows) from operating activities	16(a)	3,027	(42,835)	(9,513)	(3,192)
Cash flows from financing activities					
Proceeds from applications by unitholders		30,123	60,185	9,513	3,192
Payments for redemptions by unitholders		(31,401)	(14,691)	-	-
Distributions paid		(1,591)	(1,401)	-	-
Net cash inflows/(outflows) from financing activities		(2,869)	44,093	9,513	3,192
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the financial year		1,985	726	-	-
Effects of changes in foreign currency exchange rates on cash and cash equivalents		6	1	-	-
Cash and cash equivalents at the end of the financial year	16(b)	2,149	1,985	-	-

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

1 General information

These financial statements cover UBS CBRE Global Real Assets Fund and UBS CBRE Global Real Assets Sub Trust ("the Schemes") as individual entities.

The Responsible Entity of the Schemes is UBS Asset Management (Australia) Ltd ("the Responsible Entity"). The Responsible Entity's registered office is Level 16 Chifley Tower, 2 Chifley Square, Sydney NSW 2000. UBS CBRE Global Real Assets Fund is an Australian registered scheme and UBS CBRE Global Real Assets Sub Trust is an unregistered scheme. The Responsible Entity is incorporated and domiciled in Australia.

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

The financial statements are presented in the Australian currency.

All Schemes' comparative information is for the financial year ended 30 June 2022 unless stated otherwise.

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 financial periods presented, unless otherwise stated.

(a) Basis of preparation

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

The Schemes 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 are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets, financial liabilities and net assets attributable to unitholders where the amount expected to be recovered or settled within twelve months after the end of the financial year cannot be reliably determined.

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

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

New/Amended standards and Interpretations adopted by the Schemes

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

(b) Investment entities

The Schemes, where applicable, have multiple investments which are controlled by them. However, management determines that the Schemes, where applicable, are qualifying investment entities due to the following factors:

- The Schemes obtain and manage funds for the purpose of providing investors of the Schemes with investment management services.
- The Schemes' business purpose, which is communicated directly to the investors, is to invest funds solely for returns from capital appreciation and investment income.
- The Schemes measure and evaluate the performance of substantially all its investments on a fair value basis.
- The Schemes have multiple investments and multiple investors.
- Although all units attributable to unitholders are recognised as debt rather than equity, unitholders are still exposed to variable returns.

2 Summary of significant accounting policies (continued)

The Schemes also meet all the typical characteristics of an investment entity. Therefore, the Schemes do not consolidate these investments, but accounts for them at fair value through profit or loss. These separate financial statements are the only financial statements presented by the Schemes.

(c) Financial instruments

(i) Classification

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

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

Assets

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

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

The Schemes held unit trusts which had previously been designated at fair value through profit or loss. In accordance with AASB 9 these securities are mandatorily classified as fair value through profit or loss.

The Schemes held derivatives which had previously been held for trading. In accordance with AASB 9 these securities are mandatorily classified as fair value through profit or loss.

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

Liabilities

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

The Schemes held derivatives which had previously been held for trading. In accordance with AASB 9 these securities are mandatorily classified as fair value through profit or loss.

(ii) Impairment

AASB 9 requires the Schemes to record an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss.

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

For receivables, due from brokers, margin accounts and applications receivable, the Schemes have applied the standard's simplified approach and have calculated ECLs based on lifetime expected credit losses. The Schemes have established a provision matrix that is based on the Schemes' historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

(iii) Recognition/derecognition

The Schemes 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.

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

2 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Measurement

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the 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.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the financial year without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

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.

The Schemes' financial instruments that are valued based on active markets generally include listed instruments ranging from listed equity and/or debt securities to listed derivatives, where applicable.

Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, 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 the market rate at the end of the financial 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 financial year.

There may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Schemes recognise the difference in the Statements of Comprehensive Income to reflect a change in factors, including time that market participants would consider in setting a price.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Schemes would receive or pay to terminate the contract at the end of the financial year taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the most appropriate option valuation model.

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such trusts.

The Schemes' financial instruments that are valued based on inactive or unquoted markets generally include unlisted instruments ranging from investments in unlisted unit trusts to over the counter derivatives, where applicable.

Receivables/payables

Receivables/payables are measured initially at fair value plus transaction costs.

Subsequently, short-term receivables/payables are carried at their initial fair values.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when, and only when, there is currently 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.

2 Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units can be put back to the Schemes at any time for cash based on the redemption price, which is equal to a proportionate share of the Schemes' net asset value attributable to the unitholders. The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Schemes. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments*: Presentation as below:

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

Units are redeemable at the unitholders' option and can be put back to the Schemes at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) as at the Statements of Financial Position date if unitholders exercised their right to put the units back to the Schemes.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks or other financial institutions.

(f) Investment income

Interest income on cash deposits and interest expenses are recognised in the Statements of Comprehensive Income for all debt instruments using the effective interest method.

Dividend income is recognised on the ex-dividend date.

Trust distributions are recognised on an entitlement's basis.

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

Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the financial year and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(h) Expenses

All expenses, including Responsible Entity's fees, are recognised in the Statements of Comprehensive Income on an accrual's basis.

(i) Income tax

Under current legislation, the Schemes are not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

(j) Distributions

In accordance with the Schemes' Constitutions, the Schemes distribute their distributable income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Schemes.

In relation to the Distributions of the UBS Global Real Assets Sub Trust, the gain or loss on its holding in CBRE Global Investment Partners Global Alpha Fund units (which are fair valued through the profit and loss), will be included in the taxable income of the Sub Trust. The distribution will be in the form of an attribution of taxable income under AMIT with no actual cash distribution to the UBS Global Real Assets Fund.

2 Summary of significant accounting policies (continued)

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

Income and expenses that are not included in distributable income and not attributed to unitholders are included in net assets attributable to unitholders. Unrealised gains and losses on financial instruments are not included in net assets attributable to unitholders for UBS CBRE Global Real Assets Fund as they are not distributed to unitholders until realised. Unrealised gains and losses on financial instruments are included in net assets attributable to unitholders for UBS CBRE Global Real Assets Sub Trust. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains. Movements in net assets attributable to unitholders are recognised in the Statements of Comprehensive Income as finance costs attributable to unitholders.

(l) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(m) Accrued income

Accrued income may include amounts for dividends, trust distributions and interest. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of the financial year from the time of last payment.

(n) Receivables

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

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Schemes shall measure the loss allowance on 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 Schemes shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross 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 amount of the impairment loss is recognised in profit or loss within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(o) Payables

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

Trades are recorded on trade date, and normally settled within two business days. Purchases of financial instruments that are unsettled at the end of each financial year are included in payables.

The distribution amount payable to unitholders as at the end of each financial year is recognised separately in the Statements of Financial Position when unitholders are presently entitled to the distributable income under the Schemes' Constitutions.

(p) Applications and redemptions

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

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

2 Summary of significant accounting policies (continued)

(q) Goods and services tax (GST)

Expenses of various services provided to the Schemes recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the related expense in the Statements of Comprehensive Income.

Responsible Entity's fees payable and other payables are stated inclusive of the GST receivable. The net amount of GST recoverable from the taxation authority 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.

(r) Use of judgements and estimates

The preparation of the Schemes' financial statements requires them to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Schemes' financial instruments are valued primarily based on the prices provided by independent pricing services.

When the fair values of the reported financial instruments cannot be derived from active markets, they are determined using prices obtained from inactive or unquoted markets and/or other valuation techniques. The inputs to these valuation techniques (if applicable) are taken from observable markets to the extent practicable. Where observable inputs are not available, the inputs may be estimated based on a degree of judgements and assumptions in establishing fair values.

Where appropriate, the outcomes of the valuation techniques that are used in establishing fair values are validated using prices from observable current market transactions for similar instruments (without modification or repackaging) or based on relevant available observable market data.

The determination of what constitutes 'observable' requires significant judgement by the Schemes. The Schemes 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.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(s) New accounting standards and interpretations and other authoritative pronouncements

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

(t) Other legislative/government developments

Climate related and other emerging risk disclosure

The International Sustainability Standards Board (ISSB), at its meeting in February 2023, has taken its final decisions on all the technical content of its initial Standards. With the substance of the Standards now fully agreed, the Standards are expected to be issued at the end of the second quarter of 2023.

At the meeting, the ISSB agreed that its initial Sustainability Disclosure Standards will become effective starting January 2024.

(u) Rounding of amounts

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

3 Dividend/Trust distribution income

	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Dividends	3,777	488	-	-
Trust distributions	413	5,716	-	-
Total Dividends/Trust distributions income	4,190	6,204	-	-

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

	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net gains/(losses) on derivatives at fair value through profit or loss	(1,828)	2,627	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	(6,067)	(709)	(197)	1,550
Total net gains/(losses) on financial instruments at fair value through profit or loss	(7,895)	1,918	(197)	1,550

5 Auditor's remuneration

During the financial year, the following professional fees were paid or payable for services provided by the auditor to the Schemes. These fees were paid for by the Responsible Entity and are not passed on to the Schemes.

	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
	2023 \$	2022 \$	2023 \$	2022 \$
Assurance services				
Audit services				
Ernst & Young				
Audit and review of financial statements	29,000	29,000	7,900	7,900
Audit of compliance plan	2,453	2,727	-	-
Total remuneration for assurance services	31,453	31,727	7,900	7,900

UBS Investment Funds
Notes to the Financial Statements
For the year ended 30 June 2023
(continued)

6 Net assets attributable to unitholders

As stipulated within the Scheme's Constitutions, each unit represents a right to an individual share in the Scheme's net assets and does not extend to a right to the underlying assets of the Schemes. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Scheme.

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

	2023 No. '000	2022 No. '000	2023 \$'000	2022 \$'000
UBS CBRE Global Real Assets Fund				
Net assets attributable to unitholders				
Opening balance	99,165	60,860	120,202	68,190
Applications	25,918	50,331	31,898	60,199
Redemptions	(26,963)	(12,222)	(32,993)	(14,700)
Units issued upon reinvestment of distributions	130	196	155	221
Distributions paid and payable	-	-	(737)	(2,000)
Profit/(loss) for the financial year	-	-	1,841	8,292
Closing balance	98,250	99,165	120,366	120,202
	2023 No. '000	2022 No. '000	2023 \$'000	2022 \$'000
UBS CBRE Global Real Assets Sub Trust				
Net assets attributable to unitholders				
Opening balance	10,145	7,722	13,333	8,614
Applications	7,127	2,423	9,513	3,192
Profit/(loss) for the financial year	-	-	(186)	1,527
Closing balance	17,272	10,145	22,660	13,333

Capital risk management

The Schemes manage their net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Schemes are subject to daily applications and redemptions at the discretion of unitholders.

Liquid assets include cash and cash equivalents that are readily convertible to cash under normal market conditions.

In accordance with the Schemes' investment policy the Schemes hold certain portion of the net assets attributable to unitholders in liquid assets.

Refer to Note 13 Financial Risk Management for further details.

7 Distributions to unitholders

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

	2023 \$'000	2023 CPU	2022 \$'000	2022 CPU
UBS CBRE Global Real Assets Fund				
Distributions				
31 December	-	-	254	0.30
30 June (payable)	737	0.75	1,746	1.76
	737	0.75	2,000	2.06
	2023 \$'000	2023 CPU	2022 \$'000	2022 CPU
UBS CBRE Global Real Assets Sub Trust				
Distributions				
30 June (payable)	-	-	-	-
	-	-	-	-

8 Financial assets at fair value through profit or loss

	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assets at fair value through profit or loss				
Derivatives	481	2,867	-	-
Unlisted unit trusts	6,932	28,299	-	-
Unlisted managed investment schemes	113,323	83,765	22,660	13,333
Total financial assets at fair value through profit or loss	120,736	114,931	22,660	13,333

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

9 Receivables

	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Dividends/Trust distributions receivable	418	5,570	-	-
Unsettled applications	1,802	28	-	-
Other receivables	11	25	-	-
Total receivables	2,231	5,623	-	-

10 Financial liabilities at fair value through profit or loss

	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial liabilities at fair value through profit or loss				
Derivatives	2,308	240	-	-
Total financial liabilities at fair value through profit or loss	2,308	240	-	-

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

11 Payables

	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Unsettled redemptions	1,683	92	-	-
Responsible Entity's fees	22	259	-	-
Total payables	1,705	351	-	-

12 Derivative financial instruments

In the normal course of business, the Schemes may enter into transactions in various derivative financial instruments to gain or reduce exposure to relevant markets and currencies as well as to manage certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, equity market or index, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

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

Derivative transactions include a wide assortment of instruments, such as forward currency contracts, futures, options and interest rate swaps. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Schemes' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and may include:

- protecting assets of the Schemes against fluctuations in market values or to reduce volatility;
- a substitution for trading of physical securities; or
- adjusting asset exposures within the parameters set in the investment strategies, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio unless expressly permitted under the Schemes' investment policy. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Schemes.

The Schemes hold the following derivative instrument:

Forward currency contracts

Forward currency contracts are primarily used by the Schemes to hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Schemes agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each financial year. The Schemes recognise a gain or loss equal to the change in fair value at the end of each financial year.

Outstanding notional contracts on derivatives are as follows:

UBS CBRE Global Real Assets Fund

	Contract/ notional \$'000	Fair Value	
		Assets \$'000	Liabilities \$'000
30 June 2023			
Forward foreign exchange contracts	<u>258,585</u>	<u>481</u>	<u>2,308</u>
Closing balance		<u>481</u>	<u>2,308</u>

UBS CBRE Global Real Assets Fund

	Contract/ notional \$'000	Fair Value	
		Assets \$'000	Liabilities \$'000
30 June 2022			
Forward foreign exchange contracts	<u>228,144</u>	<u>2,867</u>	<u>240</u>
		<u>2,867</u>	<u>240</u>

UBS CBRE Global Real Assets Sub Trust

No derivative financial instruments for the periods ended 30 June 2023 and 30 June 2022.

An overview of the risk exposures relating to derivatives is included in Note 13.

13 Financial risk management

(a) Objectives, strategies, policies and processes

The Schemes' activities may expose them to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), concentration risk and liquidity risk.

The Schemes' overall risk management program focuses on ensuring compliance with the Schemes' Product Disclosure Statements and seeks to maximise the returns derived for the level of risk to which the Schemes are exposed. Financial risk management is carried out by an Investment Manager under policies approved by the Board of Directors of the Responsible Entity (the "Board").

The Schemes use different methods to measure different types of risk to which they are exposed. These methods include sensitivity analysis in the case of price risk and foreign exchange risk.

As part of its risk management strategy, the Schemes may use derivatives and other investments, including equity price and futures, swaps, options, warrants and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price, and exposures arising from derivative transactions.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign exchange risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis and minimised through ensuring that all investment activities are undertaken in accordance with established mandates, investment strategies and guidelines.

The market risk disclosures are prepared on the basis of the Schemes' direct investments and not on a look through basis for investments held in the Schemes.

The sensitivity of the Schemes' net assets attributable to unitholders (and profit/(loss) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Schemes' investments with the relevant benchmarks 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 Schemes invest. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

Net assets attributable to unitholders may include investments in debt and equity securities and related derivatives.

At 30 June 2023 and 30 June 2022, the overall market exposures were as follows:

	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Derivatives assets at fair value through profit or loss	481	2,867	-	-
Derivatives liabilities at fair value through profit or loss	2,308	240	-	-
Securities at fair value through profit or loss	<u>120,255</u>	<u>112,064</u>	<u>22,660</u>	<u>13,333</u>
	<u>123,044</u>	<u>115,171</u>	<u>22,660</u>	<u>13,333</u>

(i) Price risk

Price risk is the risk that the fair value of future cash flows of equities will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Price risk exposure arises from the Schemes' investment portfolio. The investments are classified on the statements of financial position as held at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

13 Financial risk management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits.

The Schemes' overall market positions are monitored on a daily basis by the Schemes' Investment Manager.

At 30 June 2023 and 30 June 2022, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss)) would have changed by the following amounts, approximately and respectively:

	As at 30 June 2023		As at 30 June 2022	
	Increased by	Decreased by	Increased by	Decreased by
	10%	10%	10%	10%
	\$'000	\$'000	\$'000	\$'000
Increase/(decrease) in net assets attributable to unitholders (and profit/(loss))				
UBS CBRE Global Real Assets Fund	12,026	12,026	11,206	(11,206)
UBS CBRE Global Real Assets Sub Trust	2,266	2,266	1,333	(1,333)

The above analysis is performed on the same basis for 2023 and 2022 financial years for each of the respective Schemes.

(ii) Foreign exchange risk

The foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Schemes may hold assets denominated in currencies other than the Australian dollar, the functional currency. The Product Disclosure Statement and fund guidelines dictate what and how much foreign currency exposure may be assumed. The sensitivity analysis following is prepared on the basis of asset level exposure excluding currency hedges. It is therefore potentially exposed to foreign exchange risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis.

As stated in Note 13(a) above, as part of their risk management strategy, some of the Schemes use forward foreign exchange contracts to manage exposures resulting from changes in foreign currencies. Refer to Note 12 for forward foreign exchange contracts held in each of the respective Schemes.

In accordance with the Schemes' policy, the Investment Manager monitors the Schemes' currency position on a regular basis.

The foreign exchange risk disclosures have been prepared on the basis of the Schemes' direct investments and not on a look through basis for investments held indirectly through unit trusts. Consequently, the disclosure of currency risk in the note may not represent the true currency risk profile of the Schemes where the Schemes have significant investments in indirect trusts which also have exposure to the currency markets.

UBS Investment Funds
Notes to the Financial Statements
For the year ended 30 June 2023
(continued)

13 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

The table below summarises the Schemes' exposure to foreign exchange risk:

UBS CBRE Global Real Assets Fund

	Australian Dollars A\$'000	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	British Pounds A\$'000	Other currencies A\$'000	Total A\$'000
2023							
Assets							
Cash and cash equivalents	2,141	8	-	-	-	-	2,149
Receivables	2,231	-	-	-	-	-	2,231
Unlisted unit trusts	-	6,932	-	-	-	-	6,932
Unlisted managed investment schemes	113,323	-	-	-	-	-	113,323
Forward foreign exchange contracts	-	351	41	19	10	60	481
Total assets	117,695	7,291	41	19	10	60	125,116
Liabilities							
Distributions payable	737	-	-	-	-	-	737
Payables	1,705	-	-	-	-	-	1,705
Forward foreign exchange contracts	-	1,710	68	347	3	180	2,308
Total liabilities	2,442	1,710	68	347	3	180	4,750
Net assets attributable to unitholders	115,253	5,581	(27)	(328)	7	(120)	120,366

UBS CBRE Global Real Assets Fund

	Australian Dollars A\$'000	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	British Pounds A\$'000	Other currencies A\$'000	Total A\$'000
2022							
Assets							
Cash and cash equivalents	1,985	-	-	-	-	-	1,985
Receivables	5,623	-	-	-	-	-	5,623
Unlisted unit trusts	-	28,299	-	-	-	-	28,299
Unlisted managed investment schemes	83,765	-	-	-	-	-	83,765
Forward foreign exchange contracts	-	2,376	250	12	24	205	2,867
Total assets	91,373	30,675	250	12	24	205	122,539
Liabilities							
Distributions payable	1,746	-	-	-	-	-	1,746
Payables	351	-	-	-	-	-	351
Forward foreign exchange contracts	-	122	40	58	5	15	240
Total liabilities	2,097	122	40	58	5	15	2,337
Net assets attributable to unitholders	89,276	30,553	210	(46)	19	190	120,202

UBS Investment Funds
Notes to the Financial Statements
For the year ended 30 June 2023
(continued)

13 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

UBS CBRE Global Real Assets Sub Trust

30 June 2023	Australian Dollars A\$'000	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	British Pounds A\$'000	Other currencies A\$'000	Total A\$'000
Assets							
Unlisted managed investment schemes	-	22,660	-	-	-	-	22,660
Total assets	-	22,660	-	-	-	-	22,660
Net assets attributable to unitholders	-	22,660	-	-	-	-	22,660

UBS CBRE Global Real Assets Sub Trust

30 June 2022	Australian Dollars A\$'000	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	British Pounds A\$'000	Other currencies A\$'000	Total A\$'000
Assets							
Unlisted managed investment schemes	-	13,333	-	-	-	-	13,333
Total assets	-	13,333	-	-	-	-	13,333
Net assets attributable to unitholders	-	13,333	-	-	-	-	13,333

UBS CBRE Global Real Assets Fund

At 30 June 2023 and 30 June 2022, had the Australian dollar weakened/strengthened as illustrated below against the various currencies to which the Scheme is exposed, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

UBS CBRE Global Real Assets Fund	AUD Weakened		AUD Strengthened	
	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2023 \$'000	30 June 2022 \$'000
AUD/USD 2023 10% (2022: 10%)	6,748	8,471	(5,521)	(6,931)
AUD/EUR 2023 10% (2022: 10%)	1,321	1,255	(1,080)	(1,027)
AUD/GBP 2023 10% (2022: 10%)	401	299	(328)	(245)
AUD/JPY 2023 10% (2022: 10%)	567	302	(464)	(247)
AUD/CAD 2023 10% (2022: 10%)	418	404	(342)	(330)
AUD/HKD 2023 10% (2022: 10%)	351	209	(287)	(171)
AUD/SEK 2023 10% (2022: 10%)	65	66	(53)	(54)
AUD/MXN 2023 10% (2022: 10%)	57	47	(46)	(38)
AUD/SGD 2023 10% (2022: 10%)	188	93	(154)	(76)
AUD/NZD 2023 10% (2022: 10%)	18	18	(15)	(14)

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

13 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

UBS CBRE Global Real Assets Sub Trust

At 30 June 2023 and 30 June 2022, had the Australian dollar weakened/strengthened as illustrated below against the various currencies to which the Schemes is exposed, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

UBS CBRE Global Real Assets Sub Trust	AUD Weakened		AUD Strengthened	
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss))			
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$'000	\$'000	\$'000	\$'000
AUD/USD 2023 10% (2022: 10%)	2,571	1,481	(2,104)	(1,212)

The possible impact against other currencies 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 the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Schemes' interest-bearing financial assets and financial liabilities 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 Schemes have established limits on investments in interest-bearing assets, which are monitored on a daily basis. The Schemes may use derivatives to hedge against unexpected increases in interest rates and/or multiple rollover dates for debt instruments to manage repricing risk. The interest rate risk is measured using sensitivity analysis.

In accordance with the Schemes' policy, the Investment Manager monitors the Schemes' overall interest sensitivity on a regular basis. This information and the compliance with the Schemes' policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

There was no significant interest rate risk in the Schemes as at 30 June 2023 (2022: Nil).

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Schemes, other than derivatives, the Schemes' exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statements of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the end of the financial year.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase of the securities has been received by the broker. The trade will fail if either party fails to meet its obligations.

The Schemes holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired or would otherwise be past due or impaired.

Counterparty credit limits and the list of authorised brokers are reviewed by the relevant parties within the Responsible Entity on a regular basis as deemed appropriate.

13 Financial risk management (continued)

(c) Credit risk (continued)

In accordance with the Schemes' policy, the Responsible Entity monitors the Schemes' credit position on a regular basis. This information and the compliance with the Schemes' policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board. All contracts are with counterparties included in the Board's Approved Counterparties list.

There was no significant credit risk in the Schemes as at 30 June 2023 (2022: Nil).

(d) Concentration risk

Concentration of risk arises when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentration of risk is monitored by the Investment Manager to ensure it is within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Concentration of risk is managed by industry sector for equity instruments and by counterparty for debt instruments and selected derivatives. Where related parties exist, the Schemes will be disclosed individually.

Based on the concentration of risk that is managed by industry sector and/or counterparty the following investments can be analysed by the industry sector and/or counterparty as at 30 June 2023 and 30 June 2022:

UBS CBRE Global Real Assets Fund

%

As at 30 June 2023

Managed Investment Scheme - UBS CBRE Global Property Securities Fund	39.53
Managed Investment Scheme - UBS CBRE Global Infrastructure Securities Fund	36.74
Managed Investment Scheme - UBS CBRE Global Real Assets Sub Trust	19.47
Managed Investment Scheme - CBRE Global Infrastructure Fund International L.P.	5.80
Others - aggregated concentration made up of other securities less than 5%	<u>(1.54)</u>
Total	<u>100.00</u>

UBS CBRE Global Real Assets Fund

%

As at 30 June 2022

Managed Investment Scheme - UBS CBRE Global Infrastructure Securities Fund	33.61
Managed Investment Scheme - UBS CBRE Global Property Securities Fund	27.80
Managed Investment Scheme - CBRE Global Infrastructure Fund International L.P.	24.67
Managed Investment Scheme - UBS CBRE Global Real Assets Sub Trust	11.63
Others - aggregated concentration made up of other securities less than 5%	<u>2.29</u>
Total	<u>100.00</u>

UBS CBRE Global Real Assets Sub Trust

%

As at 30 June 2023

Managed Investment Scheme - CBRE Global Alpha Fund	<u>100.00</u>
Total	<u>100.00</u>

UBS CBRE Global Real Assets Sub Trust

%

As at 30 June 2022

Managed Investment Scheme - CBRE Global Alpha Fund	<u>100.00</u>
Total	<u>100.00</u>

13 Financial risk management (continued)

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Schemes' investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Schemes maintain sufficient cash and cash equivalents to meet normal operating requirements.

Investors can submit redemption requests for the Schemes on the first business day of each month which results in some liquidity risk. However, while the time allowed for the satisfaction of redemption requests varies from Scheme to Scheme, the Responsible Entity has the power to suspend redemptions in certain circumstances, including if the relevant Scheme is not liquid (as set out in section 601KA of the *Corporations Act 2001*).

The Schemes may, from time to time, invest in indirect physical securities and derivative contracts traded over the counter, which may be illiquid. As a result, the Schemes 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 deterioration in the creditworthiness of any particular issuer.

In accordance with the Schemes' policy, the Investment Manager monitors the Schemes' liquidity position on a daily basis.

(i) Maturity of financial liabilities including Swaps and Forward Foreign Exchange contracts

The table below analyses the Scheme's net settled financial instruments including Swaps and Forward Foreign Exchange contracts into relevant maturity groupings based on the remaining period at the end of the financial year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

UBS CBRE Global Real Assets Fund

	Less than 3 months \$'000	3-12 months \$'000	12-60 months \$'000	Over 60 months \$'000
As at 30 June 2023				
Distribution payable	737	-	-	-
Payables	1,705	-	-	-
Financial liabilities at fair value through profit or loss	2,308	-	-	-
Total financial liabilities	4,750	-	-	-
As at 30 June 2022				
Distribution payable	1,746	-	-	-
Payables	351	-	-	-
Financial liabilities at fair value through profit or loss	240	-	-	-
Total financial liabilities	2,337	-	-	-

UBS CBRE Global Real Assets Sub Trust

	Less than 3 months \$'000	3-12 months \$'000	12-60 months \$'000	Over 60 months \$'000
As at 30 June 2023				
Distribution payable	-	-	-	-
Payables	-	-	-	-
Total financial liabilities	-	-	-	-
As at 30 June 2022				
Distribution payable	-	-	-	-
Payables	-	-	-	-
Total financial liabilities	-	-	-	-

13 Financial risk management (continued)

(f) Estimation of fair values of financial assets and financial liabilities

The carrying amounts of all the Schemes' financial assets and financial liabilities at the end of the financial year approximated their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Schemes' accounting policy on fair value measurement is set out in Note 2(c). The methods and assumptions used in the determination of the fair value of each class of financial instruments are also set out in Note 2(c).

Note 2(r) outlines further the nature of management's judgments, estimates and assumptions that might have been used in the determination of the fair values of these financial instruments.

(g) Fair value hierarchy

The Schemes 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:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); quoted prices for similar securities in active and/or inactive markets; market-corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, 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 Schemes. The Schemes consider observable data to be that 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 measurements disclosed are recurring fair value measurements.

The table below sets out the Schemes' financial assets and financial liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

UBS CBRE Global Real Assets Fund - as at 30 June 2023

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts	-	481	-	481
Unlisted unit trusts	-	6,932	-	6,932
Unlisted managed investment schemes	-	113,323	-	113,323
Total	-	120,736	-	120,736
Financial liabilities held at fair value through profit or loss				
Forward foreign exchange contracts	-	2,308	-	2,308
Total	-	2,308	-	2,308

UBS Investment Funds
Notes to the Financial Statements
For the year ended 30 June 2023
(continued)

13 Financial risk management (continued)

(g) Fair value hierarchy (continued)

UBS CBRE Global Real Assets Fund - as at 30 June 2022

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts	-	2,867	-	2,867
Unlisted unit trusts	-	28,299	-	28,299
Unlisted managed investment schemes	-	83,765	-	83,765
Total	-	114,931	-	114,931
Financial liabilities held at fair value through profit or loss				
Forward foreign exchange contracts	-	240	-	240
Total	-	240	-	240

UBS CBRE Global Real Assets Sub Trust - as at 30 June 2023

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Unlisted managed investment schemes	-	22,660	-	22,660
Total	-	22,660	-	22,660

UBS CBRE Global Real Assets Sub Trust - as at 30 June 2022

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Unlisted managed investment schemes	-	13,333	-	13,333
Total	-	13,333	-	13,333

The fair value of investments that are accounted for using quoted market prices in active markets, are classified as level 1 instruments. The level 1 instruments include all active listed equities and exchange traded derivatives that are traded on recognised stock exchanges.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The observable inputs include prices and/or those derived from prices. The level 2 instruments include investment-grade corporate bonds, and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 2 investments could include those that are not traded in active markets and/or are subject to transfer restrictions (e.g. redemption restrictions). Valuations for these investments may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. Typically, prices of units in unlisted managed investment trusts that are either published on the investment manager's website and/or circulated among market participants as executable quotes are categorised as level 2.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include certain unlisted unit trusts and corporate debt securities. As observable prices are not available for these securities, the Schemes have applied valuation techniques to derive fair value.

13 Financial risk management (continued)

(g) Fair value hierarchy (continued)

Level 3 instruments could include distressed debt instruments, certain private equity and real estate investments that are not based on market inputs or securities that are in an inactive/illiquid market and are valued using models and internal data. Level 3 investments may be adjusted to reflect illiquidity and/or restrictions; however, the adjustments are not based on available market information. Level 3 instruments also include those that have stale price that is, where the pricing for a particular security has remained static for an extended period of time.

Level 3 valuations are reviewed quarterly by the relevant management. The management considers the appropriateness of the valuation inputs, methods and techniques used in the valuations. The valuation inputs are generally sourced from independent third-party pricing sources without adjustment such as stock exchanges, pricing agencies and/or fund managers. Where the inputs are considered stale, unobservable, proprietary or from an inactive market, they are categorised as level 3.

Where a valuation model technique is used, the Schemes consider other liquidity, credit and market risk factors, and adjust the model as deemed necessary. There have been no changes to the valuation techniques used for financial instruments classified as levels 2 and 3.

There were no transfers between levels during the financial year ended 30 June 2023 (2022: Nil).

There were no level 3 instruments as at 30 June 2023 (2022: Nil).

UBS Investment Funds
Notes to the Financial Statements
For the year ended 30 June 2023
(continued)

14 Offsetting financial assets and financial liabilities

The disclosures set out in the table below show the recognised financial instruments that are currently offset in the Statements of Financial Position and/or are subject to master netting agreements (or similar) irrespective of whether they are offset.

UBS CBRE Global Real Assets Fund

Financial assets - 30 June 2023	Gross amounts \$'000	Gross amounts of recognised financial liabilities set off in the Statements of Financial Position \$'000	Net amounts of financial assets presented in Statements of Financial Position \$'000	Amounts related to recognised financial instruments that do not meet offsetting criteria \$'000	Cash collateral \$'000	Marketable security collateral \$'000	Net amount \$'000
Forward foreign exchange contracts	256,397	255,916	481	481	-	-	-
Closing balance	256,397	255,916	481	481	-	-	-

UBS CBRE Global Real Assets Fund

Financial liabilities - 30 June 2023	Gross amounts \$'000	Gross amounts of recognised financial assets set off in the Statements of Financial Position \$'000	Net amounts of financial liabilities presented in Statements of Financial Position \$'000	Amounts related to recognised financial instruments that do not meet offsetting criteria \$'000	Cash collateral \$'000	Marketable security collateral \$'000	Net amount \$'000
Forward foreign exchange contracts	258,224	255,916	2,308	481	-	-	1,827
Closing balance	258,224	255,916	2,308	481	-	-	1,827

UBS CBRE Global Real Assets Fund

Financial assets - 30 June 2022	Gross amounts \$'000	Gross amounts of recognised financial liabilities set off in the Statements of Financial Position \$'000	Net amounts of financial assets presented in Statements of Financial Position \$'000	Amounts related to recognised financial instruments that do not meet offsetting criteria \$'000	Cash collateral \$'000	Marketable security collateral \$'000	Net amount \$'000
Forward foreign exchange contracts	230,961	228,094	2,867	240	-	-	2,627
Closing balance	230,961	228,094	2,867	240	-	-	2,627

UBS CBRE Global Real Assets Fund

Financial liabilities - 30 June 2022	Gross amounts \$'000	Gross amounts of recognised financial assets set off in the Statements of Financial Position \$'000	Net amounts of financial liabilities presented in Statements of Financial Position \$'000	Amounts related to recognised financial instruments that do not meet offsetting criteria \$'000	Cash collateral \$'000	Marketable security collateral \$'000	Net amount \$'000
Forward foreign exchange contracts	228,334	228,094	240	240	-	-	-
Closing balance	228,334	228,094	240	240	-	-	-

14 Offsetting financial assets and financial liabilities (continued)

UBS CBRE Global Real
Assets Sub Trust

Financial assets - 30 June 2023	Gross amounts \$'000	Gross amounts of recognised financial liabilities set off in the Statements of Financial Position \$'000	Net amounts of financial assets presented in Statements of Financial Position \$'000	Amounts related to recognised financial instruments that do not meet offsetting criteria \$'000	Cash collateral \$'000	Marketable security collateral \$'000	Net amount \$'000
Nil	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-

UBS CBRE Global Real
Assets Sub Trust

Financial liabilities - 30 June 2023	Gross amounts \$'000	Gross amounts of recognised financial assets set off in the Statements of Financial Position \$'000	Net amounts of financial liabilities presented in Statements of Financial Position \$'000	Amounts related to recognised financial instruments that do not meet offsetting criteria \$'000	Cash collateral \$'000	Marketable security collateral \$'000	Net amount \$'000
Nil	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-

UBS CBRE Global Real
Assets Sub Trust

Financial assets - 30 June 2022	Gross amounts \$'000	Gross amounts of recognised financial liabilities set off in the Statements of Financial Position \$'000	Net amounts of financial assets presented in Statements of Financial Position \$'000	Amounts related to recognised financial instruments that do not meet offsetting criteria \$'000	Cash collateral \$'000	Marketable security collateral \$'000	Net amount \$'000
Nil	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-

UBS CBRE Global Real
Assets Sub Trust

Financial liabilities - 30 June 2022	Gross amounts \$'000	Gross amounts of recognised financial assets set off in the Statements of Financial Position \$'000	Net amounts of financial liabilities presented in Statements of Financial Position \$'000	Amounts related to recognised financial instruments that do not meet offsetting criteria \$'000	Cash collateral \$'000	Marketable security collateral \$'000	Net amount \$'000
Nil	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-

14 Offsetting financial assets and financial liabilities (continued)

The agreements, where relevant, could include derivative clearing agreements, global master repurchase agreements and others. Similar financial instruments could include derivatives, sale and repurchase agreements, reverse sale and repurchase agreements, securities lending agreements, short sales.

The International Swaps and Derivatives Association ("ISDA"), master netting agreements or similar agreements do not generally meet the criteria for offsetting. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the entity or the counterparties.

From time to time, the Schemes may receive or pledge collateral which could be in the form of cash or marketable securities or both in respect of the above instruments. Such collateral, if transacted, is generally subject to the industry standard in terms of ISDA's Credit Support Annex. This means that collateral received/pledged can be re-pledged or sold during the term of the transaction but have to be returned on maturity of the transaction. The terms also generally give each counterparty the right to terminate the related transactions on the counterparty's failure to post collateral.

Financial instruments, cash collateral and securities collateral not offset in the Statements of Financial Position in the above tables have been limited to the net amount of financial assets and liabilities presented in the Statements of Financial Position to eliminate the effect of over collateralization.

15 Related party transactions

Responsible Entity

The Responsible Entity of the Schemes 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

The directors of UBS Asset Management (Australia) Ltd are considered key management personnel.

Key management personnel services are provided by the Responsible Entity and included in the management fees disclosed in Responsible Entity's fees and other transactions. There was no compensation paid directly by the Schemes to any of the key management personnel.

The directors of the Responsible Entity in office at any time during the financial year and up to the date of this report are listed as follows:

(a) Directors

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)

(b) Other key management personnel

In addition, the Responsible Entity, UBS Asset Management (Australia) Ltd is considered to be a key management personnel with the authority for the strategic direction and management of the Schemes.

Relationship with UBS AG Australia Branch and UBS Securities Australia Limited

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

Fees paid to these related companies for their services are on normal commercial terms and conditions.

Responsible Entity's fees and other transactions

The Responsible Entity received a total fee of \$598,670 (2022: \$464,572) for administering and managing the Schemes in accordance with the Schemes' Constitutions for the financial year ended 30 June 2023.

The Responsible Entity received a total performance fee of \$Nil (2022: \$251,982) from UBS CBRE Global Real Assets Fund for the financial year ended 30 June 2023. The Schemes pay a performance fee to the Responsible Entity in accordance with the Scheme's Product Disclosure Statement.

Where the Schemes invest into other schemes managed by the Responsible Entity, the Responsible Entity's fee is calculated after rebating fees charged in the underlying Schemes.

In addition to the Responsible Entity's fees, the Responsible Entity is entitled to be reimbursed out of the Schemes for costs including expenses in connection with the keeping and preparation of accounting records and the maintenance of the registers. For the financial year ended 30 June 2023, all these costs and expenses have been borne by the Responsible Entity.

The Responsible Entity's fees paid and payable or rebateable (inclusive of GST, net of RITC) calculated in the manner described above are disclosed in the Statements of Comprehensive Income. Amounts payable to the Responsible Entity at the financial year end are detailed in Note 11. Any fee rebates receivable from the Responsible Entity are included in Receivables - Other receivables in Note 9.

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

UBS Investment Funds
Notes to the Financial Statements
For the year ended 30 June 2023
(continued)

15 Related party transactions (continued)

Related party unitholdings

Parties related to the Schemes (including UBS Asset Management (Australia) Ltd, its related parties and other schemes managed by UBS Asset Management (Australia) Ltd), held units in the Schemes as follows:

UBS CBRE Global Real Assets Sub Trust 2023 Unitholder	Number of units held opening	Number of units held closing	Fair value of investment	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable by the Schemes
	Units	Units	\$	%	Units	Units	\$
UBS CBRE Global Real Assets Fund	10,145,456	17,272,635	23,141,877	100.00	7,127,179	-	-
2022 Unitholder							
UBS CBRE Global Real Assets Fund	7,721,792	10,145,456	13,333,343	100.00	2,423,664	-	-

Investments

The Schemes held investments in the following schemes which are also managed by UBS Asset Management (Australia) Ltd or their related parties:

	Fair value of investment		Interest held		Distributions received/receivable	
	2023 \$	2022 \$	2023 %	2022 %	2023 \$	2022 \$
UBS CBRE Global Real Assets Fund						
UBS CBRE Global Infrastructure Security Fund	43,671,635	38,551,710	28.91	26.90	358,199	2,155,296
UBS CBRE Global Property Securities Fund	46,991,094	31,879,735	14.68	9.51	59,803	3,561,575
UBS CBRE Global Real Assets Sub Trust	23,141,877	13,333,343	100.00	100.00	-	-
	113,804,606	83,764,788			418,002	5,716,871

Other transactions within the Schemes

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

16 Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities

	UBS CBRE Global Real Assets Fund		UBS CBRE Global Real Assets Sub Trust	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(a) Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities				
Profit/(loss) for the financial year	1,841	8,292	(186)	1,527
Proceeds from sale of financial instruments at fair value through profit or loss	63,568	23,562	3,180	-
Purchase of financial instruments at fair value through profit or loss	(57,894)	(64,126)	(12,693)	(3,192)
Net (gains)/losses on financial instruments at fair value through profit or loss	7,895	(1,918)	197	(1,550)
Net foreign exchange (gains)/losses	(6,096)	(885)	(11)	23
Net change in receivables	5,166	(2,568)	-	-
Reinvested distribution income	(11,216)	(4,046)	-	-
Net change in payables	(237)	(1,146)	-	-
Net cash inflows/(outflows) from operating activities	3,027	(42,835)	(9,513)	(3,192)
(b) Components of cash and cash equivalents				
Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the Statements of Financial Position as follows:				
Cash and cash equivalents	2,149	1,985	-	-
(c) Non-cash financing and operating activities				
Distribution payments were satisfied by the issue of units under the distribution reinvestment plans	155	221	-	-
Distribution receipts were satisfied by the issue of units under distribution reinvestment plans	11,216	4,046	-	-

17 Events occurring after the financial year

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

18 Contingent assets and liabilities and commitments

UBS Global Real Assets Fund

There were no new additional capital commitments this year. (In September 2021, December 2021 and March 2022, the Scheme committed to invest \$2.9m (US\$2m), \$4.4m (US\$3m)), \$3.6m (US\$2.5m) respectively in CBRE Caledon Global Infrastructure Aggregator (International), L.P. As at 30 June 2023, a balance of \$11.3m (US\$7.5m) (2022: \$10.9m (US\$7.5m)) remains an undrawn investment commitment.

UBS Global Real Assets Sub Trust

There were no additional capital commitments this year. (In September 2021, December 2021 and March 2022, the Scheme committed to invest \$Nil, \$4.4m (US\$3m) and \$3.6m (US\$2.5m) respectively in CBRE Global Investment Partners Global Alpha Fund Series FCP-SIF – CBRE Global Investment Partners Global Alpha Fund. As at 30 June 2023, a balance of \$3.8m (US\$2.5m) (2022: \$12.9m (US\$8.9m)) remains an undrawn investment commitment.

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

19 Investment in subsidiaries

The Schemes have the following unconsolidated entities:

	Principal activities	Country of domicile	Fair value		Equity holding **	
			30 June 2023	30 June 2022	30 June 2023	30 June 2022
			\$'000	\$'000	%	%
UBS CBRE Global Real Assets Fund						
UBS CBRE Global Real Assets Sub Trust	Unlisted Managed Investment Schemes	Australia	23,142	13,333	100.00	100.00

**The proportion of ownership or equity holding is equal to the proportion of voting power held and the exposure %.

The Schemes acquired units in the above entities at their application price and is valued at their redemption price at the reporting date which reflects the fair value of the investments.

The Schemes qualify for and have applied the investment entity exemption and therefore are no longer required to consolidate their subsidiaries.

The Schemes account for the above investments at fair value through profit or loss and include them as part of the financial statements caption of 'Financial assets at fair value through profit or loss', with any changes in its fair value taken to profit or loss and recorded as part of 'Net gains/(losses) on financial instruments at fair value through profit or loss'.

As at the reporting date, the Schemes and their subsidiaries did not impose any significant restrictions, borrowing arrangements, regulatory requirements, or contractual arrangements on the ability of an entity to transfer funds to the Schemes in the form of dividends or to repay loans or advances made to the entity by the Schemes.

Directors' Declaration

In the opinion of the directors of the Statements of Comprehensive Income Responsible Entity:

- (a) the financial statements and notes set out on pages 6-37 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 financial position of the Schemes as at 30 June 2023 and of their performance, as represented by the results of their operations and cash flows, for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable.
- (c) the financial statements are in accordance with the Schemes' 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



**Building a better
working world**

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

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

- ▶ UBS CBRE Global Real Assets Fund
- ▶ UBS CBRE Global Real Assets Sub Trust

Opinion

We have audited the financial report of the above Schemes, which comprises the Statement of Financial Position as at 30 June 2023, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period ended 30 June 2023 and, 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 Schemes is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Schemes' financial position as at 30 June 2023 and of its performance for the period ended 30 June 2023 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 Schemes 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 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.

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

The directors of UBS Asset Management (Australia) Ltd as Responsible Entity of the Schemes 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 Schemes' 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 Schemes or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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 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 this financial report.

As part of an audit in accordance with the 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 Schemes' 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 Schemes' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our 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 Schemes to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents 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