

**Global X S&P/ASX 200 High Dividend ETF
(formerly known as Global X S&P/ASX 300 High Yield
Plus ETF)**

ARSN 605 617 963

Annual Financial Report - For the year ended 30 June 2023

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Global X S&P/ASX 200 High Dividend ETF (formerly known as Global X S&P/ASX 300 High Yield Plus ETF)

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Annual Financial Report - For the year ended 30 June 2023

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Directors' Report

The directors of Global X Management (AUS) Limited (formerly ETFS Management (AUS) Limited) (the "Responsible Entity"), the Responsible Entity of Global X S&P/ASX 200 High Dividend (formerly ETFS S&P/ASX 300 High Yield Plus ETF up to 19 September 2022 and Global X S&P/ASX 300 High Yield Plus ETF up to 31 July 2023) (the "Fund"), present their annual report together with the financial statements of the Fund, for the year ended 30 June 2023 and the auditor's report thereon.

Fund Objectives

The Fund aims to provide investors with a return that (before fees and expenses) tracks the performance of the S&P/ASX 300 Shareholder Yield Index (the "Index").

The Fund aims to track the performance of the Index by holding all of the shares that make up the Index, in the proportion closely mirroring the Index. All assets of the Fund are held in segregated accounts with the Custodian, The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch.

The Fund is an Exchange Traded Fund ("ETF") and can be traded by investors on the Australian Securities Exchange ("ASX"); ETFs can be bought and sold like any other share through normal brokerage accounts.

Principal Activities

The Fund was constituted on 2 March 2015 and commenced its operations on 9 June 2015. The Fund is currently listed on the ASX. The admission date was 12 June 2015.

The Fund invested in accordance with the provisions of the Fund's Constitution. There were no significant changes in the nature of the Fund's activities during the year ended 30 June 2023.

The Fund did not have any employees during the year ended 30 June 2023.

Directors

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

Evan Metcalf

Thomas Park

Kim Young

Kanish Chugh (Resigned on 8 September 2023)

Oliver Reynolds (Appointed on 11 September 2023)

Review and Results of Operations

During the year, the Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

On 16 September 2022 the Directors resolved to change the name of the Fund from ETFS S&P/ASX 300 High Yield Plus ETF to Global X S&P/ASX 200 High Dividend ETF. This change was announced publicly on 19 September 2022.

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Directors' Report (continued)

Review and Results of Operations (continued)

Results

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

| | Year ended 30 June 2023 | Year ended 30 June 2022 |
|--------------------------------|-----------------------------------|----------------------------|
| | AUD'000 | AUD'000 |
| Profit/(loss) for the year | 2,155 | (11,131) |
| Distributions paid and payable | 4,785 | 4,145 |

Returns

The table below demonstrates the performance of the Fund as represented by the total return.

| | Returns* | |
|--|----------|--------|
| | 1 Year | 2 Year |
| | % p.a. | % p.a. |
| Global X S&P/ASX 200 High Dividend ETF returns | 2.95 | (5.70) |

*Returns (after fees) are calculated on the assumption that all distributions are reinvested in the Fund, and include the effect of compounding.

Reconciliation of Net Asset Value for Unit Pricing Purposes to Financial Reporting Purposes

The key differences between net assets for unit pricing purposes and net assets attributed to unitholders as reported in the financial statements prepared under Australian Accounting Standards have been outlined below:

| | Year ended 30 June 2023 | Year ended 30 June 2022 |
|---|-----------------------------------|----------------------------|
| | AUD'000 | AUD'000 |
| Net assets for Unit Pricing Purposes | 65,570 | 70,097 |
| Distributions Payable | <u>(1,576)</u> | <u>(985)</u> |
| Net assets attributable to unitholders as at 30 June | <u>63,994</u> | <u>69,112</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 Fund that occurred during the financial year under review.

Matters Subsequent to the End of the Financial Year

As the investments are measured at their 30 June 2023 fair values in the financial report, any change in values subsequent to the end of the reporting year is not reflected in the Statement of Profit or Loss and Other Comprehensive Income or the Statement of Financial Position.

The Fund's benchmark index changed to the S&P/ASX 200 High Dividend Index, effective as of 31 July 2023. Prior to this date, the Fund tracked the S&P/ASX 300 Shareholder Yield Index. The management fee has been reduced from 0.35% to 0.24% as of 31 July 2023. The ASX code remains as ZYAU.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

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

Directors' Report (continued)

Likely Developments and Expected Results of Operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

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

The market price is a function of supply and demand amongst investors wishing to buy and sell and the bid or offer spread that the market makers are willing to quote. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Fund 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 Fund.

Indemnification and Insurance of Officers and Auditor

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the Law, officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

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

Fees Paid and Interests Held in the Fund by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 10 of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year (30 June 2022: Nil). Pursuant to ASIC Class Order relief, the Responsible Entity may individually negotiate fees with certain sophisticated or professional investors.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are also disclosed in Note 10 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 6 of the financial statements.

Value of Assets

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

Environmental Regulation

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

Rounding of Amounts

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

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Directors' Report (continued)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

The financial statements were authorised for issue by the directors on 20 September 2023.

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

Director

Sydney

20 September 2023

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

To the Directors of Global X Management (AUS) Limited (formerly ETFS Management (AUS) Limited) as the Responsible Entity of Global X S&P/ASX 200 High Dividend ETF (formerly ETFS S&P/ASX 300 High Yield Plus ETF)

I declare that, to the best of my knowledge and belief, in relation to the audit of Global X S&P/ASX 200 High Dividend ETF (formerly ETFS S&P/ASX 300 High Yield Plus ETF) for the financial year ended 30 June 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Nicholas Buchanan

Partner

Sydney

20 September 2023

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Global X S&P/ASX 200 High Dividend ETF
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

| | Notes | Year ended 30 June 2023 AUD'000 | Year ended 30 June 2022 AUD'000 |
|--|-------|---------------------------------------|---------------------------------------|
| Investment income | | | |
| Dividend/distributions income | | 4,655 | 4,857 |
| Net losses on financial instruments at fair value through profit or loss (including FX gains/(losses)) | 4 | (2,265) | (15,619) |
| Other operating income | | <u>49</u> | <u>2</u> |
| Total net investment income/(loss) | | <u>2,439</u> | <u>(10,760)</u> |
| Expenses | | | |
| Management fees | 10 | 246 | 314 |
| Transaction costs | | <u>38</u> | <u>57</u> |
| Total operating expenses | | <u>284</u> | <u>371</u> |
| Profit/(loss) for the year | | 2,155 | (11,131) |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income/(loss) for the year | | <u>2,155</u> | <u>(11,131)</u> |

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Global X S&P/ASX 200 High Dividend ETF
Statement of Financial Position
As at 30 June 2023

| | Notes | As at 30 June 2023 AUD'000 | As at 30 June 2022 AUD'000 |
|--|-------|----------------------------------|----------------------------------|
| Assets | | | |
| Cash and cash equivalents | 12(b) | 828 | 322 |
| Financial assets at fair value through profit or loss | 7 | 64,293 | 69,227 |
| Receivables | 8 | 470 | 571 |
| Total assets | | <u>65,591</u> | <u>70,120</u> |
| Liabilities | | | |
| Distributions payable | 5 | 1,576 | 985 |
| Payables | 9 | 21 | 23 |
| Total liabilities | | <u>1,597</u> | <u>1,008</u> |
| Net assets attributable to unitholders - equity | 6 | <u>63,994</u> | <u>69,112</u> |

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

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Global X S&P/ASX 200 High Dividend ETF
Statement of Changes in Equity
For the year ended 30 June 2023

| | Notes | Year ended 30 June 2023 AUD'000 | Year ended 30 June 2022 AUD'000 |
|--|-------|---------------------------------------|---------------------------------------|
| Total equity at the beginning of the financial year | 6 | 69,112 | 97,851 |
| Comprehensive income for the year | | | |
| Profit/(loss) for the year | | 2,155 | (11,131) |
| Other comprehensive income | | - | - |
| Total comprehensive income/(loss) for the year | | <u>2,155</u> | <u>(11,131)</u> |
| Transactions with unitholders | | | |
| Applications | 6 | 5,803 | 1,058 |
| Redemptions | 6 | (8,538) | (14,695) |
| Units issued upon reinvestment of distributions | 6 | 247 | 174 |
| Distributions paid and payable | 5, 6 | <u>(4,785)</u> | <u>(4,145)</u> |
| Total transactions with unitholders | | <u>(7,273)</u> | <u>(17,608)</u> |
| Total equity at the end of the financial year | 6 | <u>63,994</u> | <u>69,112</u> |

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

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Global X S&P/ASX 200 High Dividend ETF
Statement of Cash Flows
For the year ended 30 June 2023

| | Year ended 30 June 2023 | Year ended 30 June 2022 |
|--|----------------------------|----------------------------|
| Notes | AUD'000 | AUD'000 |
| <i>Cash flows from operating activities</i> | | |
| Proceeds from sale of financial instruments | 76,451 | 106,518 |
| Payments for purchase of financial instruments | (73,782) | (93,573) |
| Transaction costs paid | (38) | (57) |
| Dividends/distributions received | 4,769 | 4,631 |
| Other income received | 49 | 2 |
| Management fees paid | (261) | (323) |
| <i>Net cash inflow from operating activities</i> | <u>7,188</u> | <u>17,198</u> |
| | 12(a) | |
| <i>Cash flows from financing activities</i> | | |
| Proceeds from applications by unitholders | 5,803 | 1,058 |
| Payments for redemptions by unitholders | (8,538) | (14,695) |
| Distributions paid | (3,947) | (3,659) |
| <i>Net cash outflow from financing activities</i> | <u>(6,682)</u> | <u>(17,296)</u> |
| <i>Net increase/(decrease) in cash and cash equivalents</i> | | |
| | 506 | (98) |
| Cash and cash equivalents at the beginning of the year | <u>322</u> | <u>420</u> |
| <i>Cash and cash equivalents at the end of the year</i> | <u><u>828</u></u> | <u><u>322</u></u> |
| | 12(b) | |
| Non cash financing activities | <u>247</u> | <u>174</u> |
| | 12(c) | |

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

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1 General Information

These financial statements cover Global X S&P/ASX 200 High Dividend (formerly ETFS S&P/ASX 300 High Yield Plus ETF up to 19 September 2022 and Global X S&P/ASX 300 High Yield Plus ETF up to 31 July 2023) (the "Fund") as an individual entity. The Fund was constituted on 2 March 2015 and commenced its operations on 9 June 2015. The Fund is currently listed on the Australian Securities Exchange ("ASX"). The admission date was 12 June 2015.

The Fund is domiciled in Australia and is a for-profit entity.

The Responsible Entity of the Fund is Global X Management (AUS) Limited (formerly ETFS Management (AUS) Limited) (the "Responsible Entity"). The Responsible Entity's registered office is Level 9, 115 Pitt Street, Sydney NSW 2000 Australia.

The financial report was authorised for issue by the directors on 20 September 2023. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian Dollars, which is the Fund's functional currency.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Statement of Compliance and Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia.

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

The Statement of Financial Position is 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 expected to be recovered or settled within twelve months, except for investments in financial assets at fair value through profit or loss. The amount expected to be recovered or settled within twelve months after the end of each reporting year cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards

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

(ii) New and amended standards adopted by the Fund

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that would be expected to have a material impact on the Fund.

(b) Financial Instruments

(i) Classification

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

Equity securities and listed unit trusts are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however, they are neither held for collecting contractual cash flows nor held for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

The Fund holds financial assets and financial liabilities comprising equity securities and listed unit trusts which are classified as financial assets and financial liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

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

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2 Summary of Significant Accounting Policies (continued)

(b) Financial Instruments (continued)

(ii) Recognition/derecognition (continued)

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

(iii) Measurement

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 instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income in the year 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 reporting date without any deduction for estimated future selling costs. The quoted market price used for financial assets and financial liabilities held by the Fund is the last traded market price.

- *Fair value in an inactive or unquoted market*

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

Accordingly, 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 Fund recognises the difference in the Statement of Profit or Loss and Other Comprehensive Income to reflect a change in factors, including time, that market participants would consider in setting a price.

Investments in other unlisted unit trusts are recorded at the net asset value per unit as reported by the Responsible Entity of such funds.

(c) Offsetting Financial Instruments

Financial assets and liabilities are reported on a gross basis in the Statement of Financial Position. Where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously on default or in the ordinary course of business, the financial assets and liabilities will be offset and reported on a net basis in notes to the financial statements.

(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 Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's 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 Fund. 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*:

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

2 Summary of Significant Accounting Policies (continued)

(e) Distributions to Unitholders

In accordance with the Fund's Constitution, the Fund attributes its taxable income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of Changes in Equity as units issued upon reinvestments of distributions and distributions paid and payable.

(f) Increase/Decrease in Net Assets Attributable to Unitholders

Movements in net assets attributable to unitholders are recognised in the Statement of Changes in Equity.

(g) Cash and Cash Equivalents

Cash and cash equivalents may include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as liabilities on the Statement of Financial Position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities as movements in the fair value of these securities represent the Fund's main income generating activity.

(h) Applications and Redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund 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 for unit pricing purposes of the Fund, divided by the number of units on issue at or immediately prior to close of business each day. Applications and redemptions of units are processed simultaneously.

(i) Investment Income and Expenses

Dividend income is recognised on the ex-dividend date. The Fund may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Statement of Profit or Loss and Other Comprehensive Income. If a portion of the foreign withholding taxes is reclaimable, it is recorded as an asset.

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date.

Trust distributions are recognised on an entitlements basis.

(j) Expenses

All expenses, including Management fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

(k) Income Tax

Under current legislation, the Fund is not subject to income tax provided the taxable income of the Fund is fully attributed to unitholders under the Attribution Managed Investment Scheme regime (which the Responsible Entity has adopted from 1 July 2017).

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

(l) Goods and Services Tax ("GST")

The GST incurred on the costs of various services provided to the Fund by third parties such as custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC") hence, investment management fees, custodial fees and other expenses have been recognised in the Statement of Profit or Loss and Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable and accrued expenses are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position. Cash flows relating to GST are included in the Statement of Cash Flows on a gross basis.

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2 Summary of Significant Accounting Policies (continued)

(m) Receivables

Receivables may include amounts for dividends, interest, trust distributions, amounts due from brokers, applications receivable and tax reclaim receivable. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of the reporting date from the time of the last payment using the effective interest rate method. Amounts due from brokers represent receivables for securities that have been contracted for but not yet delivered by the end of the reporting date. Applications receivable are recorded when the applications are made for units in the Fund with the consideration yet to be received as at the end of the reporting date. Tax reclaims are recorded when the Fund is able to partially reclaim withholding tax on dividend income from investments in different countries.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measures 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 Fund 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.

The amount of the loss allowance is recognised in the Statement of Profit or Loss and Other Comprehensive Income within other expenses. When a trade receivable for which a loss allowance had been recognised becomes uncollectible in a subsequent year, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Profit or Loss and Other Comprehensive Income.

(n) Payables

Payables include liabilities and accrued expenses owing by the Fund and redemptions payable which are unpaid as at the end of the reporting year.

Trades are recorded on trade date, and normally settled within three business days. Purchases of financial instruments that are unsettled at reporting date are included in payables. Redemptions payable are recognised when the unitholder returns their holdings back into the Fund foregoing all rights associated with the units, with the payment yet to be released.

The distribution amount payable to unitholders as at reporting date is recognised separately on the Statement of Financial Position when unitholders are presently entitled to the distributable income under the Fund's Constitution.

(o) Foreign Currency Translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income within net gains/(losses) on financial instruments at fair value through profit or loss.

The Fund does not isolate that portion of gains or losses on securities and derivative financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the Statement of Profit or Loss and Other Comprehensive Income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

2 Summary of Significant Accounting Policies (continued)

(p) New Accounting Standards and Interpretations

There are no standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting years and on foreseeable future transactions.

(q) Use of Estimates and Critical Accounting Judgments

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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. Actual results may differ from these estimates.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

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

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

(r) Rounding of Amounts

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

3 Financial Risk Management

The Fund's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including price risk and currency risk). The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statements and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. The Fund may use derivative financial instruments to moderate and create certain risk exposures. Financial risk management is carried out by the Portfolio Managers with oversight by the Compliance Officer and ultimately by the Board of Directors of the Responsible Entity (the "Board") under policies approved by the Board.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and other price risks. Sensitivity analysis is explained in Note 3(b).

Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect asset values and thus the performance of the Fund. The Responsible Entity is continuing to monitor this development and evaluate its impact on the Fund.

(a) Market Risk

(i) Price Risk

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

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3 Financial Risk Management (continued)

(a) Market Risk (continued)

(i) Price Risk (continued)

Market risk is managed and monitored by the Responsible Entity on a portfolio basis, with risks managed through ensuring that investment activities are undertaken in accordance with the Fund's investment model which is reviewed and updated regularly.

The Responsible Entity continuously monitors the Fund's holdings relative to the recommended portfolio, and the exposure of the Fund is monitored to ensure that it remains within designated ranges or asset allocation constraints, taking into account any derivative position being used to manage risks.

In addition, the Board regularly reviews the Fund to ensure the Fund is following the appropriate investment model, its portfolio is in accordance with its stated guidelines and restrictions, and the performance of the Fund remains in expected bounds.

The sensitivity analysis in Note 3(b) explains how the risk is measured and summarises the potential exposure of the Fund's net assets attributable to unitholders.

(ii) Currency Risk

The direct investments held by the Fund do not have any direct exposure to foreign exchange risk. This disclosure has not been made on a look through basis for investments held directly through underlying investments. The disclosure of foreign exchange risk may not present the true foreign exchange risk profile of the Fund where the underlying investments have significant exposure to foreign exchange risk.

The impact of foreign exchange risk on net assets attributable to unitholders and operating profit is considered immaterial to the Fund.

(iii) Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of markets interest rates. The Fund's exposure to cash flow interest rate risk is limited to its cash and cash equivalents, which are floating rate interest bearing investments.

(b) Sensitivity Analysis

The following table summarises the sensitivity of the Fund's net assets attributable to unitholders to currency risk and price risk. Actual movements may be greater or less than anticipated depending on prevailing market conditions.

| | Global X S&P/ASX 200 High Dividend ETF | |
|---------------------|---|----------------|
| | Price Risk | |
| | Impact on operating profit/net assets attributable to unitholders | |
| | -10% | +10% |
| | AUD'000 | AUD'000 |
| 30 June 2023 | (6,429) | 6,429 |
| 30 June 2022 | (6,923) | 6,923 |

The Fund does not have any direct exposure to currency risk. Sensitivity analysis is not applicable.

(c) Credit Risk Exposure

Credit risk is the risk that the counterparty will fail to perform contractual obligations, either in whole or in part, when they fall due.

Credit risk primarily arises from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables. None of these assets are impaired nor past due but not impaired.

Market prices generally incorporate credit risk assessments into valuations and risk of loss is implicitly provided for in the carrying value of financial assets and liabilities as they are marked to market.

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3 Financial Risk Management (continued)

(c) Credit Risk Exposure (continued)

(i) Interest Bearing Securities

The Fund does not have any direct holding in interest bearing securities. The Fund may be exposed to other credit risk from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables.

(ii) Settlement of Securities Transactions

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

(iii) Other Credit Risk

The exposure to credit risk for cash and cash equivalents, deposits with banks and other financial institutions is considered to be minimal due to the high credit rating of the relevant financial institution. The sensitivity analysis is also used to manage and measure the credit risk of the Fund.

The Fund is not materially exposed to credit risk on other financial assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents, and other financial assets and collateral held and pledged. None of these assets are impaired nor past due but not impaired.

(d) Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Statement of Financial Position is presented on a liquidity basis and discussed in Note 2(a).

The Fund is exposed to daily cash redemptions of redeemable units. The liquidity risks associated with the need to satisfy unitholders' requests for redemptions are mitigated by maintaining adequate liquidity to satisfy usual redemption volumes and restricting the investment activities of the Fund to securities that are actively traded and highly liquid. The Fund also maintains continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Responsible Entity considers and maintains the liquidity of the Fund, in the context of the investment objectives and liquidity requirements of the Fund.

The following tables analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the tables are contractual undiscounted cash flows.

| At 30 June 2023 | Less than 1 month AUD'000 | Total AUD'000 |
|-----------------------------------|------------------------------|------------------|
| Non-derivative liabilities | | |
| Distributions payable | (1,576) | (1,576) |
| Payables | (21) | (21) |
| Total liabilities | (1,597) | (1,597) |

| At 30 June 2022 | Less than 1 month AUD'000 | Total AUD'000 |
|-----------------------------------|------------------------------|------------------|
| Non-derivative liabilities | | |
| Distributions payable | (985) | (985) |
| Payables | (23) | (23) |
| Total liabilities | (1,008) | (1,008) |

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3 Financial Risk Management (continued)

(e) Fair Values of Financial Assets and Liabilities

The carrying amounts of the Fund's assets and liabilities at the end of each reporting year approximate their fair values.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The carrying value less loss allowance of other receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

(i) Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their last traded prices at the end of the reporting year without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2(b). For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets and financial liabilities held by the Fund is the last traded market price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by the Responsible Entity to determine the appropriate valuation price to use that is most representative of fair value.

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 regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market

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

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting 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 reporting year. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting 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 currency contracts is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investments in other unlisted unit trusts are recorded at the net asset value per unit as reported by the Responsible Entity of such funds.

(f) Fair Value Hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets 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).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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3 Financial Risk Management (continued)

(f) Fair Value Hierarchy (continued)

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 judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Responsible Entity. The Responsible Entity considers 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.

The following tables present the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2023 and 30 June 2022.

| As at 30 June 2023 | Level 1 AUD'000 | Level 2 AUD'000 | Level 3 AUD'000 | Total AUD'000 |
|---|--------------------|--------------------|--------------------|------------------|
| Financial Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Listed equity securities | 59,684 | - | - | 59,684 |
| Listed unit trusts | 4,609 | - | - | 4,609 |
| Total | 64,293 | - | - | 64,293 |
| | | | | |
| As at 30 June 2022 | Level 1 AUD'000 | Level 2 AUD'000 | Level 3 AUD'000 | Total AUD'000 |
| Financial Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Listed equity securities | 58,742 | - | - | 58,742 |
| Listed unit trusts | 10,485 | - | - | 10,485 |
| Total | 69,227 | - | - | 69,227 |

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and trusts.

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. These include investment grade corporate bonds, certain listed equities, certain unlisted unit trust, 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.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. As observable prices are not available for these securities, the Responsible Entity has used valuation techniques to derive fair value.

The Fund did not hold any level 3 instruments during the year ended 30 June 2023 (30 June 2022: Nil).

There were no transfers between levels for recurring fair value measurements during the year ended 30 June 2023 (30 June 2022: Nil).

(g) Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities are reported on a gross basis in the Statement of Financial Position. The Fund did not hold any derivative instruments during the year ended 30 June 2023 (30 June 2022: Nil).

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4 Net Losses on Financial Instruments at Fair Value Through Profit or Loss

The net losses recognised in relation to financial assets and financial liabilities at fair value through profit or loss:

| | Year ended 30 June 2023 | Year ended 30 June 2022 |
|---|----------------------------|----------------------------|
| | AUD'000 | AUD'000 |
| Net unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss (including FX gains/(losses)) | 6,959 | (18,131) |
| Net realised (loss)/gain on financial assets and liabilities at fair value through profit or loss (including FX gains/(losses)) | <u>(9,224)</u> | <u>2,512</u> |
| Net losses on financial instruments at fair value through profit or loss (including FX gains/(losses)) | <u><u>(2,265)</u></u> | <u><u>(15,619)</u></u> |

5 Distributions to Unitholders

The distributions during the year were as follows:

| | Year ended 30 June 2023 | | Year ended 30 June 2022 | |
|---|----------------------------|-------|----------------------------|-------|
| | AUD'000 | CPU | AUD'000 | CPU |
| Opening balance | 985 | | 673 | |
| Distributions announced for the year - 30 September | 1,184 | 14.64 | 1,661 | 18.11 |
| Distributions announced for the year - 31 December | 872 | 10.90 | 327 | 3.56 |
| Distributions announced for the year - 31 March | 1,165 | 14.92 | 1,172 | 13.35 |
| Distributions announced for the year - 30 June | 1,564 | 19.52 | 985 | 11.89 |
| Distributions paid | (3,947) | | (3,659) | |
| Reinvestment | <u>(247)</u> | | <u>(174)</u> | |
| Closing balance | <u><u>1,576</u></u> | | <u><u>985</u></u> | |

6 Net Assets Attributable to Unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

The Fund meets the criteria set out under AASB 132 and net assets attributable to unitholders is classified as equity.

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

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

| | Year ended 30 June 2023 | | Year ended 30 June 2022 | |
|---|----------------------------|----------------------|----------------------------|----------------------|
| | No.'000 | AUD'000 | No.'000 | AUD'000 |
| Opening balance | 8,284 | 69,112 | 9,667 | 97,851 |
| Profit/(loss) for the year | - | 2,155 | - | (11,131) |
| Applications | 700 | 5,803 | 100 | 1,058 |
| Redemptions | (1,000) | (8,538) | (1,500) | (14,695) |
| Units issued upon reinvestment of distributions | 30 | 247 | 17 | 174 |
| Distributions paid and payable | <u>-</u> | <u>(4,785)</u> | <u>-</u> | <u>(4,145)</u> |
| Closing balance | <u><u>8,014</u></u> | <u><u>63,994</u></u> | <u><u>8,284</u></u> | <u><u>69,112</u></u> |

6 Net Assets Attributable to Unitholders (continued)

Capital Risk Management

The Fund manages its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. As of 30 June 2023 the capital of the Fund is represented in the net assets attributable to unitholders table.

In the event of a significant redemption, the Fund's Constitution allows the delay of payment beyond the usual redemption timeframe but no later than the maximum number of days specified in the Constitution for satisfying redemption requests. Further, in certain circumstances such as disrupted markets, the Constitution allows payment to be delayed beyond the maximum number of days.

7 Financial Assets at Fair Value Through Profit or Loss

| | As at 30 June 2023 AUD'000 | As at 30 June 2022 AUD'000 |
|--|----------------------------------|----------------------------------|
| Financial assets at fair value through profit or loss | | |
| Listed equity securities | 59,684 | 58,742 |
| Listed unit trusts | 4,609 | 10,485 |
| Total financial assets at fair value through profit or loss | 64,293 | 69,227 |

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

8 Receivables

| | As at 30 June 2023 AUD'000 | As at 30 June 2022 AUD'000 |
|------------------------------------|----------------------------------|----------------------------------|
| Dividends/distributions receivable | 447 | 561 |
| Other receivables | 23 | 10 |
| Total | 470 | 571 |

There are no past due (not impaired) or allowance for doubtful debts included in the above receivables as at 30 June 2023 (30 June 2022: Nil).

9 Payables

| | As at 30 June 2023 AUD'000 | As at 30 June 2022 AUD'000 |
|-------------------------|----------------------------------|----------------------------------|
| Management fees payable | 21 | 23 |
| Total | 21 | 23 |

10 Related Party Transactions

Responsible Entity

The Responsible Entity of the Fund is Global X Management (AUS) Limited (ABN 13 150 433 828, AFSL 466778) whose ultimate holding company is Mirae Asset Global Investments Co., Ltd.

10 Related Party Transactions (continued)

Responsible Entity (continued)

Global X Management (AUS) Limited is incorporated in Australia and Mirae Asset Global Investments Co., Ltd. is incorporated in the Republic of Korea.

Key management personnel

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

(a) Directors

Evan Metcalf

Thomas Park

Kim Young

Kanish Chugh (Resigned on 8 September 2023)

Oliver Reynolds (Appointed on 11 September 2023)

(b) Other key management personnel

No other person had authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year or since the end of the financial year and up to the date of this report.

(c) Key management personnel compensation

Key management personnel are paid by the Responsible Entity. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Related party unitholdings

All transactions with related parties are conducted on normal terms and conditions. From time to time the Responsible Entity, or its director-related entities, may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other unitholders of the Fund.

The key management personnel held units in the Fund were as follows:

2023

| Number of units held opening | Number of units held closing | Fair Value of investment AUD | Interest held % | Number of units acquired | Number of units disposed | Distributions Paid/payable by the fund AUD |
|------------------------------|------------------------------|------------------------------|-----------------|--------------------------|--------------------------|--|
| 1,828 | 1,947 | 15,547 | 0.02 | 119 | - | 1,143 |

2022

| Number of units held opening | Number of units held closing | Fair Value of investment AUD | Interest held % | Number of units acquired* | Number of units disposed* | Distributions Paid/payable by the fund AUD |
|------------------------------|------------------------------|------------------------------|-------------------|---------------------------|---------------------------|--|
| 5,000 | 1,828 [^] | 15,465 [^] | 0.02 [^] | 1,828 | (5,000) | 3,188 |

*Unit disposal/acquired during 2022 were the result of director resignations/appointments.

[^] The number of closing units, fair value of investment and interest held presented in the 2022 financial statement were based on units held by key management personnel who had resigned during the year, as well as those who held the position at 30 June 2022. The number presented here only includes units held by Directors appointed as at 30 June 2022.

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10 Related Party Transactions (continued)

Management fees and other transactions

In accordance with the Fund's Constitution, the Responsible Entity was entitled to receive fees for the provision of services to the Fund.

| At 30 June 2023 | Amount Charged AUD | Amount Outstanding AUD |
|-----------------|-----------------------|---------------------------|
| Management fees | 245,556 | 20,582 |

| At 30 June 2022 | Amount Charged AUD | Amount Outstanding AUD |
|-----------------|-----------------------|---------------------------|
| Management fees | 313,958 | 23,529 |

The Management Fee is calculated by applying a fixed percentage to the value of units in issue on a daily basis, equivalent to 0.35% per annum, inclusive of GST, and net of applicable RITC. The Management Fee is paid in Australian Dollars on a monthly basis.

Investments

The Fund did not hold any investments in funds also managed by the Responsible Entity or its related parties during the reporting year (30 June 2022: Nil).

Other transactions with the Fund

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

11 Remuneration of Auditor

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

| | Year ended 30 June 2023 AUD | Year ended 30 June 2022 AUD |
|--|-----------------------------------|-----------------------------------|
| KPMG | | |
| Audit and review of the financial statements | 10,375 | 9,790 |
| Other regulatory assurance services | <u>2,625</u> | <u>2,500</u> |
| Total | <u><u>13,000</u></u> | <u><u>12,290</u></u> |

Other services relate to the audit of the Fund's compliance plan. The audit fees paid or payable are discharged by the Responsible Entity from the fees earned from the Fund.

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12 Reconciliation of Profit to Net Cash Inflow from Operating Activities

| | Year ended 30 June 2023 | Year ended 30 June 2022 |
|--|----------------------------|----------------------------|
| | AUD'000 | AUD'000 |
| (a) Reconciliation of operating loss to net cash inflow from operating activities | | |
| Operating profit/(loss) for the year | 2,155 | (11,131) |
| Net losses on financial instruments at fair value through profit or loss (including FX (gains)/losses) | 2,265 | 15,619 |
| Proceeds from sale of financial instruments | 76,451 | 106,518 |
| Purchases of financial instruments | (73,782) | (93,573) |
| Net change in receivables and other assets | 101 | (228) |
| Net change in payables and accrued liabilities | <u>(2)</u> | <u>(7)</u> |
| Net cash inflow from operating activities | <u>7,188</u> | <u>17,198</u> |

(b) Components of cash and cash equivalents

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:

| | | |
|--|-------------------|-------------------|
| Cash | <u>828</u> | <u>322</u> |
| Total cash and cash equivalents | <u>828</u> | <u>322</u> |

(c) Non-cash financing activities

During the year, the following distributions payments were satisfied by the issue of units under the distributions reinvestment plan

| | |
|------------|------------|
| <u>247</u> | <u>174</u> |
|------------|------------|

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

13 Segment Information

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the S&P/ASX 300 Shareholder Yield Index. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the S&P/ASX 300 Shareholder Yield Index. Accordingly, no additional qualitative or quantitative disclosures are required.

14 Events Occurring After the Reporting Year

The Fund's benchmark index changed to the S&P/ASX 200 High Dividend Index, effective as of 31 July 2023. Prior to this date, the Fund tracked the S&P/ASX 300 Shareholder Yield Index. The management fee has been reduced from 0.35% to 0.24% as of 31 July 2023. The ASX code remains as ZYAU.

No other significant events have occurred since the end of the reporting year up to the date of signing the Annual Financial Report which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2023 or on the results and cash flows of the Fund for the year ended on that date.

15 Contingent Assets, Contingent Liabilities and Commitments

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

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**Global X S&P/ASX 200 High Dividend ETF
Directors' Declaration
For the year ended 30 June 2023**

In the opinion of the directors of Global X Management (AUS) Limited, the Responsible Entity of Global X S&P/ASX 200 High Dividend ETF (the "Fund"):

- (a) the financial statements and notes set out on pages 6 to 23 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance, for the financial year ended on that date;
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2(a); and
- (c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of the Responsible Entity made pursuant to s.295(5) of the *Corporations Act 2001*.



Director

Sydney

20 September 2023

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Independent Auditor's Report

To the unitholders of Global X S&P/ASX 200 High Dividend ETF (formerly ETFS S&P/ASX 300 High Yield Plus ETF)

Opinion

We have audited the **Financial Report** of Global X S&P/ASX 200 High Dividend ETF (formerly ETFS S&P/ASX 300 High Yield Plus ETF) (the Scheme).

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

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

The **Financial Report** comprises:

- Statement of Financial Position as at 30 June 2023
- Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Scheme in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.



This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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| Valuation and existence of financial assets at fair value through profit or loss | |
|---|--|
| Refer to Note 2b Summary of Significant Accounting Policies, Note 3e Financial Risk Management and Note 7 Financial assets at fair value through profit or loss (\$64,293,000) in the Financial Report | |
| The key audit matter | How the matter was addressed in our audit |
| <p>Financial assets at fair value through profit or loss comprise investments in listed equity securities and listed unit trusts (“investments”).</p> <p>The Scheme outsources certain processes and controls relevant to:</p> <ul style="list-style-type: none"> - Initiating and executing the purchase and sale of investments and recording and valuing of investments to the Scheme administrator; - maintaining custody and underlying records of investments to the custodian. <p>Valuation and existence of investments in listed equity securities is a key audit matter due to the:</p> <ul style="list-style-type: none"> - Size of the Scheme’s portfolio of investments, which represent 98.0% of the Scheme’s total assets at year-end; and - Importance of the performance of these investments in driving the Scheme’s investment income and capital performance, as reported in the Financial Report. <p>As a result, this was the area with the greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit.</p> | <p>Our procedures included:</p> <ul style="list-style-type: none"> - We assessed the appropriateness of the accounting policies applied by the Scheme, including those relevant to the fair value of investments, against the requirements of the accounting standards. - We obtained and read the Scheme’s administrator and custodian’s ISAE 3402 (<i>Assurance Reports on Controls at a Service Organization</i>) assurance reports for the period from 1 April 2022 to 31 March 2023 to understand the processes and assess controls relevant to the: <ul style="list-style-type: none"> • Custodian to maintain custody and underlying records of the Scheme’s investments; • Scheme administrator to initiate and execute the purchase and sale of and to record and value the Scheme’s investments. - We obtained and read the Scheme’s administrator and custodian’s bridging letter over the period not covered by the ISAE3402 assurance reports. We compared the processes and controls in the bridging letter for consistency with those in the ISAE3402 assurance reports. - We assessed the reputation, professional competence and independence of the auditors of the ISAE3402 assurance reports. - We checked the existence of investments, being the ownership and quantity held, to external custody reports as at 30 June 2023. - We checked the valuation of investments, as recorded in the general ledger, to independently sourced prices from relevant stock exchanges as at 30 June 2023. - We evaluated the Scheme’s disclosures of investments, using our understanding obtained from our testing, against the requirements of the |



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| | accounting standards. |
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Other Information

Other Information is financial and non-financial information in Global X S&P/ASX 200 High Dividend ETF's (formerly ETFS S&P/ASX 300 High Yield Plus ETF) annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Global X Management (AUS) Limited (formerly ETFS Management (AUS) Limited) (the Responsible Entity) are responsible for the Other Information.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The Directors of Global X Management (AUS) Limited (formerly ETFS Management (AUS) Limited) (the Responsible Entity) are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on


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the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf This description forms part of our Auditor's Report.


KPMG


Nicholas Buchanan

Partner

Sydney

20 September 2023

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