Oasis Fund Management Limited

ABN 38 106 045 050

Annual Report – 30 June 2023

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The Directors present their report, together with the financial statements of Oasis Fund Management Limited ("the Company") for the year ended 30 June 2023 and the auditor's report thereon. The ultimate parent entity is Insignia Financial Ltd and the Company is a member of the Insignia Financial Group ("IFL Group").

Directors
The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Robert A Bloore (resigned 9 December 2022)
Ms Karen N Gibson
Ms Jane M Harvey
Ms Beth V McConnell
Mr Steven J Schubert
Mr Lindsay R Smartt

Principal activity
The Company is a for-profit entity and its principal activity during the year was acting as the trustee for the Oasis Superannuation Master Trust, a Registrable Superannuation Entity ("RSE"), under an instrument of approval granted by the Australian Prudential Regulation Authority ("APRA").

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

Dividends
Dividends of $4,700,000 (2022: $3,000,000) were paid during the year ended 30 June 2023.

Review of operations
The profit after income tax of the Company was $3,961,692 (2022: $4,014,672). The operating profit generated during the year is inline with the prior period due to similar declines in both revenue and expenses.

State of affairs
In November 2022, APRA imposed additional licence conditions on the Company. These conditions included:

- Enhancement of the Company's governance in relation to member outcomes, oversight of service providers, risk, compliance and managing conflicts of interest;
- Appointment of an independent expert to examine the operational effectiveness of the Company's governance, accountability and risk management frameworks and practices; and
- Rectification of areas of concern with input from the independent expert.

The Company is working with the IFL Group to satisfactorily address all the Licence Conditions and to rectify areas of concern identified by the independent expert.

There have been no other significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the reporting period
There have been no significant events from 30 June 2023 to the date of signing this report.

Future developments
Information about likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report because disclosures of the information would be likely to result in unreasonable prejudice to the Company.

Environmental regulation
The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law. Environmental, social and governance ("ESG") risks can have a material impact on the Company's ability to deliver sustainable long-term outcomes for the clients, investors and the community of Insignia Financial Ltd and its subsidiaries.

To ensure the Company fulfils its purpose, the IFL Group (of which the Company is a subsidiary) considers a broad range of ESG considerations. To help guide its responsible investment practice, the IFL Group has become a member of the Investor Group on Climate Change (IGCC). The IFL Group's ESG activities are discussed in the ESG section of its annual report.

Impact of macro-economic factors
The Directors continue to assess the potential financial and other impacts of current market conditions including rising inflation, interest rate increases and geopolitical unrest. The current level of uncertainty regarding these matters on investment markets has impacted investment outcomes and increased volatility in investment performance during the period. Such disruptions can adversely affect the assets, performance and liquidity of underlying funds. The Directors and management continue to remain abreast of developments in this area and monitor the potential impacts on the Company.

Company secretaries
The following persons were company secretaries during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ms Sharyn J Cowley
Mr Christopher Tay

Indemnification and insurance of officers
During the financial year, Insignia Financial Ltd and its controlled entities paid a premium to insure the Directors, secretaries, and general officers of the IFL Group (including the Company). No such insurance cover has been provided for the benefit of any external auditor of the IFL Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage to themselves or someone else or to cause detriment to the Company.

Auditor's independence declaration
The lead auditor's independence declaration is set out on page 3 of the annual report and forms part of the Directors' report for the year ended 30 June 2023.

This report is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

Lindsay Smartt
Director

23 August 2023

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

To the Directors of Oasis Fund Management Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Oasis Fund Management Limited 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

Chris Wooden

Partner

Melbourne

23 August 2023

Oasis Fund Management Limited
Statement of comprehensive income
For the year ended 30 June 2023

	Note	30 June 2023 $	30 June 2022 $
Revenue			
Management fee income		13,530,340	15,348,732
Interest income		104,212	3,383
Other revenue		1,550,507	1,147,286
Expenses			
Service fees and other direct costs		(1,766,516)	(2,054,474)
Operating expenditure	4	(7,735,995)	(8,657,770)
Other expense		(22,988)	(52,569)
Profit before income tax expense		**5,659,560**	**5,734,588**
Income tax expense	5	(1,697,868)	(1,719,916)
Profit after income tax for the year		**3,961,692**	**4,014,672**
Other comprehensive income		-	-
Total comprehensive income for the year		**3,961,692**	**4,014,672**

The above Statement of comprehensive income should be read in conjunction with the accompanying notes to the financial statements

Oasis Fund Management Limited
Statement of financial position
As at 30 June 2023

	Note	30 June 2023	30 June 2022
		$	$
Assets			
Cash and cash equivalents		4,967,769	3,240,252
Trade and other receivables		824,364	893,591
Receivables from related parties		-	1,536,940
Deferred tax assets	6	114,221	218,071
Total assets		**5,906,354**	**5,888,854**
Liabilities			
Fees payable		300,197	325,122
Unearned income		330,377	352,664
Payables to related parties		803,020	-
Total liabilities		**1,433,594**	**677,786**
Net assets		**4,472,760**	**5,211,068**
Equity			
Share capital	7	1,450,001	1,450,001
Retained earnings		3,022,759	3,761,067
Total equity		**4,472,760**	**5,211,068**

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

Oasis Fund Management Limited
Statement of changes in equity
For the year ended 30 June 2023

	Note	Share Capital $	Retained earnings $	Total Equity $
Balance at 1 July 2021		**1,450,001**	**2,746,395**	**4,196,396**
Profit after income tax for the year		-	4,014,672	4,014,672
Other comprehensive income		-	-	-
Total comprehensive income		-	**4,014,672**	**4,014,672**
Dividend paid	8	**-**	(3,000,000)	(3,000,000)
Total capital transactions		**-**	**(3,000,000)**	**(3,000,000)**
Balance at 30 June 2022		**1,450,001**	**3,761,067**	**5,211,068**

	Note	Share Capital $	Retained earnings $	Total Equity $
Balance at 1 July 2022		**1,450,001**	**3,761,067**	**5,211,068**
Profit after income tax for the year			3,961,692	3,961,692
Other comprehensive income		-	-	-
Total comprehensive income		**-**	**3,961,692**	**3,961,692**
Dividend paid	8	-	(4,700,000)	(4,700,000)
Total capital transactions		**-**	**(4,700,000)**	**(4,700,000)**
Balance at 30 June 2023		**1,450,001**	**3,022,759**	**4,472,760**

The above Statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements

Oasis Fund Management Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	30 June 2023	30 June 2022
Cash flows from operating activities		**$**	**$**
Receipts from customers and related parties		34,228,441	39,905,659
Payments to suppliers and related parties		(26,311,118)	(35,418,576)
		7,917,323	4,487,083
Interest income received		104,212	3,383
Income tax paid		(1,594,018)	(1,871,165)
Net cash from operating activities	12	**6,427,517**	**2,619,301**
Cash flow from financing activities			
Dividend paid	8	(4,700,000)	(3,000,000)
Net cash from financing activities		**(4,700,000)**	**(3,000,000)**
Net increase/(decrease) in cash and cash equivalents		**1,727,517**	**(380,699)**
Cash and cash equivalents at the beginning of the year		3,240,252	3,620,951
Cash and cash equivalents at the end of the year		**4,967,769**	**3,240,252**

The above Statement of cash flows should be read in conjunction with the accompanying notes to the financial statements

Note 1. General information

The financial statements cover Oasis Fund Management Limited ("the Company") as an individual entity. The ultimate parent entity is Insignia Financial Ltd ("IFL").

Oasis Fund Management Limited is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business are:

Registered office	**Principal place of business**
Level 1	Level 1
800 Bourke Street	800 Bourke Street
Docklands VIC 3008	Docklands VIC 3008

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not a part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of the Directors, on 23 August 2023.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Certain comparative amounts have been reclassified to conform to the current period's presentation.

Basis of preparation

These general purpose tier one 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*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Basis of measurement
The financial information has been prepared in accordance with the historical cost convention except for certain assets and liabilities as described in the accounting policies below.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The Company's financial statements are presented in Australian dollars ("AUD"), which is the Company's functional and presentation currency.

Changes in accounting policies
The accounting policies adopted in the preparation and presentation of these financial statements are materially consistent with those adopted and disclosed in the Company's Financial Report for the year ended 30 June 2022. The Company has applied, where relevant, all new or revised Australian Accounting Standards and AASB Interpretations applicable to the year ended 30 June 2023. However, these do not have a material impact on the Company.

Note 2. Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted

Accounting Standards that are mandatorily effective for the first time
There are no new accounting standards that are mandatorily effective for the first time which are applicable to these financial statements.

Accounting Standards that have been issued but not yet effective
The following amendments to accounting standards have been issued and are effective for annual periods beginning on or after 1 July 2023 and earlier application is permitted. The Company has not early adopted any of these amendments.

New standards or amendments	Effective first financial year end
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	30 June 2024
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	30 June 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	30 June 2024
AASB 2021-2 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	30 June 2025
AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	30 June 2025

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

Management fee income
The Company provides trustee and management services to a superannuation fund, for which fees are charged. These fees are calculated based on an agreed percentage of the respective funds under management, as disclosed in the respective product disclosure statements. The provision of these services is typically a single performance obligation and fees are earned on a daily basis and generally collected monthly.

Other fees principally comprise revenues for other services and are recognised as the relevant service is provided and it is probable that the fee will be collected.

There are no judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers.

Management fee income is recognised in the Statement of comprehensive income over the period in which the service is provided, net of any fees rebated.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income
Other income arises primarily from fund manager fees charged in advance on an annual basis and is recognised over the relevant period on a straight-line basis.

Expense recognition

Service fees and other direct costs, operating expenditure, and other expenses
Operating fees and other expenses are recognised as they are accrued in line with the expense being incurred.

Note 2. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Insignia Financial Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Assets

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity 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.

Receivables
Trade and other receivables and receivables from related parties are measured at amortised cost less impairment losses.

De-recognition
In transactions where the Company transfers financial assets recognised on the statement of financial position yet retains all, or substantially all of the risks and rewards, the transferred assets are not derecognised from the statement of financial position.

Note 2. Significant accounting policies (continued)

Assets (continued)

Derecognition (continued)
In transactions where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the Company derecognises the asset if control over the asset is lost. In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. The rights and obligations retained or created in the transfer are recognised separately as assets and liabilities as appropriate.

Liabilities

Fees payable
These amounts represent liabilities for services provided to the Company prior to the end of the financial year and which are unpaid. They are short term in nature and are measured at amortised cost and are not discounted. The amounts are unsecured and are paid within commercial terms.

Payables to related parties
These amounts represent liabilities to entities within the wholly owned group. These are short term in nature and are measured at amortised cost and are not discounted.

Unearned Income
Unearned income arises from member and fund manager fees charged in advance on an annual basis. The income in relation to this amount will be recognised over the relevant period on a straight-line basis.

Equity

Ordinary Shares
Ordinary shares in the Company are recognised at the amount paid per ordinary share net of directly attributable issue costs.

Presentation

Offsetting of income and expenses
Income and expenses are not offset unless required or permitted by an accounting standard. This generally arises in the following circumstances:

- where income and expense arise from a group of similar transactions, such as rebates on management fee income;
- where amounts are collected on behalf of third parties, where the Company is, in substance, acting as an agent only; or
- where costs are incurred on behalf of customers from whom the Company is reimbursed.

Where the Company has received Advisor Service Fees (“ASF”) from the fund and paid ASF to dealer groups, the Company offsets these receipts and payments in the Statement of comprehensive income and structured entities note as they are collected in an agent capacity. The ASF receipts and payments are not offset in the Statement of cash flow as they are separate cash transactions.

Offsetting assets and liabilities
Assets and liabilities are offset and the net amount reported in the Statement of financial position only where there is:

- a current enforceable legal right to offset the asset and liability; and
- an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Goods and services tax
Income, expenses and assets are recognised net of the amount of goods and services tax (“GST”), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is paid by a related entity within the wholly owned group with a corresponding intercompany balance recognised by the Company.

Note 2. Significant accounting policies (continued)

Presentation (continued)

Cash flows are included in the Statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

Note 3. Critical estimates, judgements and assumptions used in applying accounting policies

The Company prepares its financial statements in accordance with policies which are based on Australian Accounting Standards, other authoritative accounting pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. This involves the Company making estimates and assumptions that affect the reported amounts within the financial statements. Estimates and judgements are continually evaluated and are based on historical factors, including expectations of future events that are believed to be reasonable under the circumstances.

Other than those disclosed elsewhere in the financial statements, management have not made any significant accounting judgements, estimates or assumptions in preparing these financial statements.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating expenditure

	30 June 2023	30 June 2022
	$	$
Administration expense	(5,017,228)	(5,788,412)
Fund related expense	(345,291)	-
Service fees paid to related parties	(2,373,476)	(2,869,358)
Total operating expenditure	**(7,735,995)**	**(8,657,700)**

Note 5. Income tax expense

	30 June 2023	30 June 2022
	$	$
Recognised in Statement of comprehensive income		
Current tax	(1,594,018)	(1,590,046)
Deferred tax – original and reversal of temporary differences	(103,850)	(129,870)
Aggregate income tax expense	**(1,697,868)**	**(1,719,916)**
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Profit before income tax	**5,659,560**	**5,734,588**
Tax at the statutory tax rate of 30% (2022: 30%)	(1,697,868)	(1,720,376)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible benefits		
Amounts in relation to prior years	-	460
Income tax expense	**(1,697,868)**	**(1,719,916)**

Note 6. Deferred tax assets

	30 June 2023 $	30 June 2022 $
Deferred tax assets comprises temporary differences attributable to:		
Payables	15,108	112,272
Unearned income	99,113	105,799
Total deferred tax assets	**114,221**	**218,071**

	30 June 2023 $	30 June 2022 $
Reconciliation of movements		
Net carrying amounts at the beginning of the year	218,071	88,201
Recognised in profit or loss	(103,850)	129,870
Carrying amount at the end of the year	**114,221**	**218,071**

Note 7. Share capital

	30 June 2023 Shares	30 June 2022 Shares	30 June 2023 $	30 June 2022 $
Ordinary shares - fully paid	5,000,001	5,000,001	1,450,001	1,450,001

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There was no change to the number of issued shares during the year (2022: Nil).

Note 8. Dividends paid and proposed

	30 June 2023 $	30 June 2022 $
Dividend on ordinary shares:		
Final dividend for 2022: 54 cents (2021: 40 cents) per share	2,700,000	2,000,000
Interim dividend for 2023: 20 cents (2022: 20 cents) per share	1,000,000	1,000,000
Interim dividend for 2023: 20 cents (2022: nil) per share	1,000,000	-
Total dividends paid by the Company during the year	**4,700,000**	**3,000,000**

Note 9. Capital management

The Company is capitalised with share capital and retained earnings. This capital is held to meet regulatory and operational requirements that reflect the risk of the Company. The level of capital is actively managed to maintain capital adequacy and efficiency with reference to these requirements.

The Company must remain solvent at all times in accordance with the *Corporations Act 2001*.

The Company is regulated by APRA and has been issued a Registrable Superannuation Entity ("RSE") Licence and therefore must comply with APRA's prudential standards and practice guides associated with an RSE Licence.

In complying with APRA's Prudential Standard SPS 114 "Operational Risk Financial Requirement" (ORFR), the Company has continued to operate within its Board approved OFRF target and tolerances. As at 30 June 2023 the ORFR has been met through an RSE trustee reserve within the Oasis Superannuation Master Trust ("OSMT"), of $11.6 million (2022: $11.3 million).

Note 9. Capital management (continued)

There were no changes in the Company's approach to capital management since the prior financial year. The Company has met APRA capital requirements at all times during the current and prior financial years.

Note 10. Risk management policies and procedures

The Company is a wholly owned subsidiary of Insignia Financial Ltd and operates in accordance with the Insignia Financial Group's Risk Management Policy. Risk management processes and activities are integrated with strategic planning, appetite, policies, reporting and governance to ensure that risk is managed effectively throughout Insignia Financial Ltd and its subsidiaries (collectively referred to as the "IFL Group").

The Company's objective is to satisfactorily manage risks in line with the Board approved Risk Management Framework ("RMF"). The key pillars of the RMF include:
- The Company Risk Management Strategy (RMS) which articulates the Company's approach to the implementation of its strategic and business objectives and the key elements of the RMF that give effect to the strategy. It also includes a description of each material risk, including key roles and responsibilities for managing the risk, and outlines the risk governance structure;
- The Company Risk Appetite Statement (RAS), which sets out the Board's expectations regarding the degree of risk that the Group is prepared to accept in pursuit of strategic and business objectives, giving consideration to the interests of clients and shareholders;
- The Insignia Financial Group's Risk Management Policy (RMP) which sets out the methodology to identify, assess, manage, analyse, monitor and report on those risks that could impact the achievement of strategic objectives, impact core processes and/or result in non-compliance with obligations; and
- A three lines of defence governance model to govern risk management and compliance activities across the IFL Group. The three lines of defence model is the foundation for effective risk management. The overarching principle is that risk management capability must be embedded into the business to be effective.

Procedures are put in place to control and mitigate the risks faced by the Company depending on the nature of the risk. The Company's overall risk is monitored by Management with regular reporting to the Company's Risk and Compliance and Audit Committees, and the Board.

The Company is an RSE Licensee regulated by the Australian Prudential Regulation Authority ("APRA") and is required to have systems for identifying, assessing, managing, mitigating and monitoring material risks that may affect its ability to meet its obligations to beneficiaries. These systems, together with the structures, policies, processes, and people supporting them, comprise the Company's RMF. The Company's Board is ultimately responsible for the Company's RMF and approves the use of any IFL Group policies or functions and ensures that these policies and functions give appropriate regard to the Company's business operations and its specific requirements. The Company's compliance with the RMF is monitored by the Audit Committee, Risk and Compliance Committee and the Board.

The Company's income and operating cash flows are affected by movements in funds under administration which are impacted by changing market conditions. Information has been provided below only on the direct impact of changing market conditions to the Company's income and operating cash flows.

Note 11. Financial risk management

Financial Risk Management as discussed below considers the significant financial risks borne by the Company.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables such as interest rates, equity prices and foreign currency exchange rates.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Measurement
The following provides an analysis of the exposures of the different types of market risks.

Interest rate risk
Interest rate risk is the risk of loss arising from adverse changes in interest rates and the impact on future cash flows or the fair value of financial instruments.

Note 11. Financial risk management (continued)

Market risk (continued)

The Company's exposure to interest rate risk is as follows:

	30 June 2023 $	30 June 2022 $
Cash and cash equivalents – cash at bank*	4,967,769	3,240,252
Total Financial Assets	**4,967,769**	**3,240,252**

*Cash is unrestricted cash

Interest rate sensitivity analysis
An increase or decrease in variable interest rates of 100 basis points (2022: 100 basis points) in interest rates would have a direct impact, net of tax, on the profit and loss and equity position as shown below.

	Profit or Loss		Equity	
	Increase $	Decrease $	Increase $	Decrease $
30 June 2023 (100 bps)	34,774	(34,774)	34,774	(34,774)
30 June 2022 (100 bps)	22,682	(22,682)	22,682	(22,682)

Other market risk
The Company has no material exposure to foreign exchange risk or other price risks.

Credit risk
Credit risk refers to the risk that a counterparty will fail to meet its contractual obligations resulting in financial loss to the Company. Credit risk arises for the Company from cash and cash equivalents, term deposits and trade and other receivables.

The Company mitigates its credit risk by ensuring cash deposits and term deposits are held with high quality financial institutions with interest rating of A+ to AA.

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets. No financial assets are considered past due and management does not expect any counterparty to fail to meet its obligations. The Company does not hold any collateral as security over its receivables.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting commitments associated with financial liabilities.

Demands for funds can usually be met through ongoing normal operations and the sale of assets or borrowing. Expected liquidity demands within the Company are managed through a combination of treasury, investment and asset-liability management guidelines, which are monitored on an ongoing basis. The Company regularly assesses and monitors the liquidity risk profile through analysis of liabilities that increase liquidity risk, reviews the investment portfolio to ensure adequate liquidity, and performs analysis of the expected asset and liability cash flows in regards to the ability of the business to meet cash demands.

All financial assets and liabilities are expected to be received and settled within one year.

The Company is a part of a Syndicated Facility Agreement (“SFA”) with Insignia Financial Ltd and a group of syndicated lenders as a guarantor. Each guarantor jointly and severally guarantees to meet the syndicated lenders the financial obligations of Insignia Financial under the SFA. The Company’s ORFR is segregated and held outside of the security net set out in the SFA and the fund assets held on behalf of members is unavailable to the syndicated lenders. As Insignia Financial is the ultimate parent of the Company, Management considers the possibility of an outflow of resources embodying economic benefits as a result of the Company providing the guarantee as remote.

Note 12. Notes to the Statement of cash flows

	30 June 2023 $	30 June 2022 $
Reconciliation of cash flows from operating activities		
Profit after tax for the year	**3,961,692**	**4,014,672**
Changes in operating assets and liabilities		
- Change in trade and other receivables	69,227	322,845
- Change in deferred tax assets	103,850	(129,870)
- Change in receivables from related parties	1,339,960	(1,536,940)
- Change in trade and other payables	(24,925)	325,122
- Change in unearned income	(22,287)	58,662
- Change in payables to related parties	1,000,000	(435,190)
Net cash from operating activities	**6,427,517**	**2,619,301**

Note 13. Remuneration of auditors

	30 June 2023 $	30 June 2022 $
Audit services - KPMG Australia		
Audit and review of financial reports	46,125	28,300
Audit and review of financial reports – managed superannuation funds	102,500	44,933
Other services – KPMG Australia		
Regulatory assurance services	192,700	66,726
Other assurance services	-	87,125

KPMG auditor’s remuneration for the Company is allocated and paid by a related entity in the IFL Group. During the year, the IFL Group has changed the method used to allocate audit fees for company financial statement audits to ensure consistency across the IFL Group.

Note 14. Related party disclosures

(a) Immediate and ultimate controlling entity

The immediate parent entity is OnePath Investment Holdings Pty Ltd, a company incorporated in Australia.

The ultimate parent entity is Insignia Financial Ltd. Insignia Financial produces consolidated financial statements available for public use and is incorporated in Australia. The Company has elected to prepare an individual parent financial statement, as allowed under *AASB 10 Consolidated Financial Statements*.

Note 14. Related party disclosures (continued)

(b) Related party transactions that occurred during the period

(i) Transactions with related parties in the wholly owned group

Transactions and balances between the entities within the IFL Group are made up of non-interest bearing funds and have no fixed terms of maturity. Management and administration services were provided by a commonly controlled entity, IOOF Service Co Pty Ltd, on a cost recovery basis. Management expenses incurred during the year amounted to $2,373,476 (2022: $2,869,358). All other transactions were made on normal commercial terms and conditions and at market rates. No receivable from a related party was impaired during the year.

At the balance date, the transactions with Insignia Financial subsidiaries comprised of the amounts below:

	30 June 2023	30 June 2022
	$	$
Receivables from entities within the IFL Group	-	1,536,940
Payables to entities within the IFL Group	803,020	-

Receivables from related parties include net GST receivable/(payable).

Transactions with related parties include tax expenses, which are payable under the tax-consolidated group agreement.

There have been no guarantees given or received. No outstanding amounts have been written down or recorded as allowances as they are considered fully collectible.

(ii) Transactions with ultimate parent

There have been no transactions with the ultimate parent entity for the year ended 30 June 2023 (2022: $Nil).

(iii) Other transactions with key management personnel
Key management personnel (“KMP”) and their related parties held investments in related underlying managed investment schemes and superannuation funds.

Note 15. Key management personnel disclosures

Directors
The following persons were Directors of Oasis Fund Management Limited during the whole financial year and up to the date of this report unless otherwise stated:

Mr Robert A Bloore (resigned 9 December 2022)
Ms Karen N Gibson
Ms Jane M Harvey
Ms Beth V McConnell
Mr Steven J Schubert
Mr Lindsay R Smartt

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, during the financial year:

Mr Renato Mota (Chief Executive Officer)
Ms Sarah Burley (Chief Member Officer) (resigned 16 December 2022)
Mr David Chalmers (Chief Financial Officer)
Ms Anne Coyne (Chief Member Officer) (appointed 10 January 2023)
Mr Daniel Farmer (Chief Investment & Technology Officer)
Mr Frank Lombardo (Chief Operating Officer)
Mr Mark Oliver (Chief Distribution Officer)
Mr Anvij Saxena (Chief Risk Officer) (appointed 27 March 2023)
Ms Lorna Stewart (Chief Risk Officer) (resigned 16 December 2022)
Mr Christopher Weldon (Chief Transformation Officer)

Note 15. Key management personnel disclosures (continued)

The compensation of key management personnel ("KMP"), comprising of the Directors and senior management of the business, is provided by a related entity of the IFL Group. The total of this compensation is as follows:

	2023*	2022
	$	$
Short term employment benefits	7,935,025	3,905,758
Post-employment benefits	359,471	220,584
Share based payments	2,142,627	763,922
Termination benefits	215,475	-
Total	**10,652,598**	**4,890,264**

*The composition of the other key management personnel was revisited in the current year.

The compensation of KMP has been disclosed in accordance with their roles within IFL Group. Employee service contracts do not include any compensation, including bonuses, specifically related to the role of KMP of the Company. As the roles of the KMPs within the IFL Group include activities relating to the Company as well as other entities within the IFL Group, the KMP compensation amount in the current year has not been allocated to a particular entity and as such the entire compensation of the relevant KMPs has been disclosed above.

Note 16. Structured entities

A structured entity ("SE") is an entity in which voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities and are often thinly capitalised with a reliance on debt financing for support.

SEs are consolidated when control exists in accordance with the accounting standard *AASB12 Disclosure of Interests in Other Entities*. In other cases, the Company may simply have an interest or may sponsor an SE but not consolidate it.

A disclosable 'interest' in an unconsolidated SE is not considered to exist where the Company's involvement does not establish more than a passive interest. On this basis, exposures to unconsolidated SEs that arise from the Company's investing activities are not considered disclosable interests.

Sponsored unconsolidated structured entities

For the purposes of this disclosure, the Company considers itself the 'sponsor' of an SE where it is the primary party involved in the design and establishment of that SE and where the Company is the majority user of that SE, or the Company's name appears in the name of that SE or on its products, or the Company provides implicit or explicit guarantees of that entity's performance.

The Company is the sponsor of a superannuation fund for which it acts as Trustee. The Company did not have any interest in this SE during the year ended 30 June 2023, other than the fee income and the reimbursement of expenses incurred on behalf of the superannuation funds it receives for its trustee services. The superannuation fund is not consolidated by the Company.

During the year, the Company recognised income of $13,530,340 (2022: $15,348,732) in the form of management fees and reimbursements of $1,550,507 (2022: $1,147,286).

Note 17. Contingent liability

The Company may from time to time be exposed to contingent liabilities and potential claims in respect of the activities of the underlying trusts for which it acts as the RSE Trustee. As at the date of this report, there are no contingent liabilities where the underlying fund is not expected to have sufficient assets to indemnify the RSE Trustee as appropriate.

As part of the operations of the business, the Company has been subject to various legal actions and claims. Outcomes in relation to these actions and claims are uncertain and no provisions are required at balance sheet date.

Note 17. Contingent liability (continued)

As identified in Note 11, the Company is party to the Insignia Financial Group SFA as a guarantor. At the date of this report, there is no financial liability for the Company under this agreement.

Note 18. Liability as a trustee

The Company acts as a Trustee for the Oasis Superannuation Master Trust which is managed and administered by Macquarie Investment Management Limited.

The financial statements reflect the fiduciary nature of the Company's responsibility and as such do not show the assets and liabilities of the Trust. The Company will only be liable if it commits a breach of its fiduciary duties.

At the balance sheet date, the assets of the Trust are sufficient to meet its liabilities.

Note 19. Commitments

There were no capital or lease expenditure commitments as at 30 June 2023 (2022: $Nil).

Note 20. Events since the end of the reporting period

There have been no significant events from 30 June 2023 to the date of signing this report.

Directors' Declaration

The Directors of Oasis Fund Management Limited (the "Company") declare that:

a) in the Directors' opinion, the financial statements of the Company and the notes thereto, have been prepared in accordance with the *Corporations Act 2001*, including that:
   i. they comply with applicable Australian Accounting Standards and the *Corporations Regulations 2001*;
   ii. they give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance as represented by the results of its operations and its cash flows, for the year ended on that date; and
   iii. the financial statements and notes to the financial statements of the Company comply with International Financial Reporting Standards as described in Note 2; and

b) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors, made pursuant to section 295(5)(a) of the *Corporations Act 2001* for the year ended 30 June 2023.

Lindsay Smartt
Director

23 August 2023

Independent Auditor's Report

To the shareholders of Oasis Fund Management Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Oasis Fund Management Limited (the Company).

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

- giving a true and fair view of the Company'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, Statement of 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; and
- 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 Company 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.

Other Information

Other Information is financial and non-financial information in Oasis Fund Management Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors 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 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 Company'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 Company 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 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/ar4_2020.pdf. This description forms part of our Auditor's Report.

KPMG

Chris Wooden

Partner

Melbourne

23 August 2023