



ELEVATION CAPITAL®



ELEVATION CAPITAL
GLOBAL SHARES FUND

FINANCIAL STATEMENTS

For the year ended 31 March 2023

Elevation Capital Global Shares Fund
Financial Statements
For the year ended 31 March 2023

Manager's Statement

In the opinion of the Manager, the accompanying Financial Statements are drawn up so as to present fairly the financial position of the Elevation Capital Global Shares Fund as at 31 March 2023 and the results for the year ended on that date in accordance with the requirements of the Elevation Capital Unit Trusts Master Trust Deed dated 11 November 2016.

The directors are of the opinion that the Elevation Capital Global Shares Fund will be able to pay its debts as and when they fall due.

Director



Elevation Capital Management Limited

26 July 2023

Additional Unitholder Information

Notice of Trust Deed Amendment

Under clause 32.2 of the Trust Deed governing the Elevation Capital Global Shares Fund, the Manager, Elevation Capital Management Limited, is required to advise unitholders in summary form of any amendments to the Trust Deed.

The Establishment Deed was amended on 31 July 2019. The only change was to the Fund name.

The Manager and Supervisor (Public Trust) agreed and restated the Trust Deed for the purpose of compliance with the changes brought about under the Trust Act 2019, and issued a Master Trust Deed on 10 December 2020 with effect from 30 January 2021.

There has been no amendment to the Establishment Deed during the year covered by the Financial Statements.

Statement of Comprehensive Income

\$	For the year ended 31 March	Note	Elevation Capital Global Shares Fund	
			2023	2022
Income				
			18,467	4,878
			293,467	397,193
			141,947	(54,237)
			535,452	884,385
			-	394
			989,333	1,232,613
Expenses				
		9.2	356,865	353,210
		9.2	23,000	23,000
			60,762	59,878
			25,430	23,100
			32,847	52,781
		9.2	20,236	13,748
			32,239	52,770
			551,379	578,487
			437,954	654,126
			437,954	654,126
			437,954	654,126

These statements are to be read in conjunction with the accompanying notes.

Statement of Changes in Net Assets Attributable to Unitholders

\$	Note	Elevation Capital Global Shares Fund	
		2023	2022
For the year ended 31 March			
Net assets attributable to Unitholders at the beginning of the year		29,004,010	22,922,859
Proceeds from units issued*		2,516,187	8,087,485
Redemption of units*		(1,957,804)	(1,877,101)
Distributions		(641,990)	(610,915)
Unitholder tax liabilities		(171,416)	(172,444)
Net increase/(decrease) from transaction in units		(255,023)	5,427,025
Total comprehensive income for the year attributable to Unitholders		437,954	654,126
Net assets attributable to Unitholders at the end of the year		29,186,941	29,004,010

Units	Elevation Capital Global Shares Fund	
	2023	2022
For the year ended 31 March		
Units on issue at the beginning of the year	13,829,066	11,060,909
Units issued*	1,248,062	3,614,262
Units redeemed*	(1,039,647)	(646,105)
Units on issue at the end of the year	14,037,481	13,829,066

*Issuance and redemptions for the year ended 31 March 2022 have been restated to exclude intrafund transfers previously recognised on a gross basis. The tables below sets out the adjustments for the Fund. There is no impact to 'Net assets attributable to Unitholders at the end of the year' and the 'Units on issue at the end of the year'. The intrafund transfers are transfers of units within the same Fund for registry purposes and do not represent units issued and redeemed by and from the Fund.

\$	Note	Elevation Capital Global Shares 2022	
For the year ended 31 March			
Proceeds from units issued*		(1,095,991)	
Redemption of units*		1,095,991	

Units	Elevation Capital Global Shares 2022	
For the year ended 31 March		
Units issued*		(511,990)
Units redeemed*		511,990



These statements are to be read in conjunction with the accompanying notes.

Statement of Financial Position

\$	As at 31 March	Note	Elevation Capital Global Shares Fund	
			2023	2022
Assets				
	Cash and cash equivalents		1,232,519	1,864,626
	Financial assets at fair value through profit or loss	6	28,789,495	27,262,086
	Outstanding settlements receivable		-	5,552
	Contributions receivable		49,094	140,502
	Other receivables		13,186	22,307
	Tax receivable on behalf of unitholders		-	370
	Total assets		30,084,294	29,295,443
Liabilities				
	Related party payables	9.2	45,120	44,152
	Distribution payable		159,001	148,051
	Withdrawals payable		547,695	44,405
	Other payables		11,440	26,502
	Tax payable on behalf of unitholders		134,097	28,323
	Total liabilities		897,353	291,433
	Unitholders' Funds		29,186,941	29,004,010

The Directors of Elevation Capital Management Limited authorised these Financial Statements for issue on 26 July 2023.

Director

These statements are to be read in conjunction with the accompanying notes.

Statement of Cash Flows

\$	Note	Elevation Capital Global Shares Fund	
		2023	2022
For the year ended 31 March			
Cash flows from operating activities			
Proceeds from sale of financial assets		11,283,508	24,907,410
Purchase of financial assets		(12,269,911)	(29,671,959)
Dividends received		302,588	385,802
Other income		-	394
Interest income received		18,467	4,878
Transactions costs paid		(32,847)	(52,781)
Operating expenses paid		(532,626)	(518,362)
Net cash (outflow)/inflow from operating activities	10	(1,230,821)	(4,944,618)
Cash flows from financing activities			
Proceeds from units issued*		2,124,606	7,782,777
Redemptions of units*		(1,454,514)	(1,859,007)
Unitholders tax liabilities paid		(65,274)	(200,982)
Distributions paid		(148,051)	(81,260)
Net cash inflow/(outflow) from financing activities		456,767	5,641,528
Net (decrease)/increase in cash and cash equivalents		(774,054)	696,910
Cash and cash equivalents at the beginning of the financial year		1,864,626	1,221,953
Foreign exchange gains/(losses) on cash and cash equivalents denominated in foreign currencies		141,947	(54,237)
Cash and cash equivalents at the end of the financial year		1,232,519	1,864,626

*Prior year comparative figures for cash flows from financing activities have been corrected for intrafund transfers previously recognised on a gross basis. Proceeds from units issued and redemptions of units were overstated by \$1,095,991. There is no impact to the net cash flows from financing activities.

These statements are to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. General information

Reporting Entities

The reporting entity included in these Financial Statements is the Elevation Capital Global Shares Fund that is referred to throughout these Financial Statements as "The Fund". These Financial Statements are for the year ended 31 March 2023.

The Fund was created under a Master Trust Deed executed by Elevation Capital Management Limited ("ECML") on 20 November 2006 and a Unit Trust Establishment Deed between Elevation Capital Management Limited and The New Zealand Guardian Trust Company Limited dated 28 October 2008. The Trust commenced operations on 9 December 2008. The Master Trust Deed was replaced by a new Master Trust Deed dated 11 November 2016. The Establishment Trust deed was replaced by a new Establishment Trust Deed dated 31 July 2019. On 31 July 2019, the Manager and Supervisor approved a change in the Funds' name to Elevation Capital Global Shares Fund (prior to this date known as Elevation Capital Value Fund) - all unitholders were notified of this change.

The Fund's investment activities are managed by Elevation Capital Management Limited (the 'Manager'). The registered office for Elevation Capital Management Limited is Level 4, The Blade, 12 St Marks Road, Remuera, Auckland 1050. The Fund is domiciled in New Zealand.

The principal objective of the Fund is to achieve positive absolute returns after fees and expenses, but before tax over the long term (that is a period of at least five years).

These Financial Statements were authorised for issue by the Board of Directors of the Manager on 26 July 2023.

Statutory Base

The Elevation Capital Global Shares Fund is a Managed Investment Scheme as defined by the Financial Markets Conduct Act 2013 and is subject to the provisions of that Act.

The Financial Statements have been prepared in accordance with the Financial Markets Conduct Act 2013 and the Trust Deed.

Basis of preparation

For the purposes of complying with NZ GAAP, the Fund is a for-profit entity. These Financial Statements comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS). These Financial Statements have been prepared under the historical cost method, as modified by the revaluation of financial assets and liabilities held at fair value through profit or loss.

The preparation of Financial Statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the directors of the Manager to exercise their judgement in the process of applying the Fund'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.

Standards and amendments to existing standards effective 1 April 2022 impacting the Fund

There are no new standards, amendments to standards or interpretations that are effective for the year beginning on 1 April 2022 that have a material effect on the Financial Statements of the Funds. There were also no standards issued but not yet effective that could have a material effect on the Funds.

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 throughout the period presented, unless otherwise stated.

2.1. Financial instruments

(a) Classification

Financial assets

Financial assets are recognised initially at fair value. After initial recognition, financial assets are measured at fair value or amortised cost, determined on the basis of both (a) the Fund's business model for managing the financial assets, and (b) the contractual cash flow characteristics of the financial asset.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss can be either designated as such upon initial recognition or mandatorily measured at fair value in accordance with NZ IFRS 9 Financial Instruments. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities at fair value through other comprehensive income. As there are no financial instruments designated at fair value upon initial recognition in the Fund, all financial assets measured at fair value are those mandatorily measured at fair value. Financial assets at fair value through profit or loss comprise of listed equities and equity options.

(ii) Financial assets at amortised cost

(a) **Cash and cash equivalents** include cash in hand and deposits held at call with banks, denominated in New Zealand dollars and in foreign currencies.

(b) **Receivables** are amounts representing assets owing to the Fund and may include amounts due for interest or dividends or amounts due from brokers for securities sold that have been contracted for but not yet settled or delivered at year end.

Financial liabilities

(i) Financial liabilities at amortised cost

(a) **Payables** are amounts representing liabilities and accrued expenses owing by the Fund at year end and may include related party fees and withdrawals payable and amounts due to brokers for purchase of unsettled securities at year end.

Notes to the Financial Statements

(b) Recognition, measurement and derecognition

(i) Financial assets at fair value through profit or loss

The Fund recognises financial assets at fair value through profit or loss on the date they become parties to the contractual agreement. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income when they arise. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership. Any gain or loss arising on derecognition of the financial asset at fair value through profit or loss is included in the Statement of Comprehensive Income in the year the item is derecognised.

(ii) Financial assets and liabilities at amortised cost

The Fund recognises financial assets and liabilities at amortised cost on the date they become parties to the contractual agreement. Financial assets and liabilities at amortised cost are initially recognised at fair value. Subsequent to initial recognition, all financial assets and liabilities at amortised cost are measured at amortised cost (and for financial assets less any impairment). Any impairment charge is recognised in the Statement of Comprehensive Income. Financial assets at amortised cost are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership. Financial liabilities at amortised cost are derecognised when the obligation under the liability is discharged, cancelled or expires.

(c) Fair value estimation

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

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the Balance Date. The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking 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 derived and determined from quoted prices in markets not considered to be active or, from inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, or from inputs that are not based on observable market data. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Valuation techniques used include the use of recent arm's length market transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

2.2 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. There have been no offset transactions during the year (2022: nil).

2.3 Net assets attributable to unitholders

The Fund issues units that are redeemable at the Unitholders' option and have identical features and are therefore classified as equity. The Fund has classified units as equity instruments in accordance with revised NZ IAS 32, 'Financial Instruments: Presentation'. The Fund continues to assess the classification of the redeemable units to ensure they have all the features or meet all the conditions set out in paragraphs 16A and 16B of NZ IAS 32. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance date if Unitholders exercised their right to put the units back to the Fund.

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 the units redeemed. There were no entry or exit fees during the year ending 31 March 2023 (31 March 2022: nil). Units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of the Fund with the total number of outstanding units of the Fund. In accordance with the provisions of the offering documents, investment positions are valued based at the appropriate market bid or ask price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

In accordance with the Trust Deed, the Manager has full discretion as to whether to distribute any net income of the Fund. Any distributions are recognised in the Statement of Changes in Net Assets Attributable to Unitholders as distributions. Income that is not distributed is invested as part of the assets of the Fund or may be used to make later distributions to Unitholders.

2.4 Investment income

Interest income

Interest income on financial assets at amortised cost is included as interest in profit or loss in the Statement of Comprehensive Income on an accruals basis using the **effective interest rate method**.

Dividend and distribution income

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded in the Statement of Changes in Net Assets Attributable to Unitholders as a Unitholder tax liability.

Net gains and losses on financial assets at fair value through profit or loss

Realised and unrealised gains and losses are reflected in the Statement of Comprehensive Income as net gain/(loss) on financial assets and liabilities at fair value through profit or loss.

Unrealised gains or losses include the change in net market value of investments held as at balance date and the reversal of prior periods unrealised gains or losses on investments that have been realised in the current year. Realised gains or losses are calculated based on the gross sale proceeds and the weighted average cost of the investments sold.

2.5 Expenses

All expenses, including the Fund management and Supervisor fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the Fund's Financial Statements are measured using the currency of the primary economic environment in which they **operate** (the 'functional currency'). The functional currency for the Fund is the New Zealand dollar, which reflects the currency in which the Fund competes for funds and is **regulated**. The Fund's investors are from New Zealand, with the subscriptions and redemptions of the units denominated in New Zealand dollars. The performance of the Fund is measured in New Zealand dollars. The Manager considers the New Zealand dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Financial Statements are presented in New Zealand dollars, which is also the Fund's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses resulting from translation are included in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within 'net gains or losses on foreign currency'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income.

Notes to the Financial Statements

2.7 Income tax

The Fund qualifies as and has elected to be a Portfolio Investment Entity (PIE) for tax purposes. Under the PIE regime income is effectively taxed in the hands of the Unitholders and therefore the Fund has no income tax expense. Accordingly, no income tax expense is recognised in the Statement of Comprehensive Income. Income is disclosed gross of any resident and foreign withholding taxes deducted at source and the taxes are included in Unitholder tax liabilities in the Statement of Changes in Net Assets Attributable to Unitholders.

Under the PIE regime, the Manager attributes the taxable income of the Fund to Unitholders in accordance with the proportion of their interest in the Fund. The income attributed to each Unitholder is taxed at the Unitholder's "prescribed investor rate" (which is capped at 28%) on redemptions and annually at 31 March each year.

Unitholder tax liabilities disclosed in the Statement of Changes in Net Assets Attributable to Unitholders consists of withdrawals to meet Unitholder tax liabilities under the PIE regime and any resident and foreign withholding taxes deducted at source.

2.8 Goods and services tax ("GST")

The Fund is not registered for GST. The Statement of Comprehensive Income and Statement of Cash Flows have been prepared so that all components are stated inclusive of GST. All items in the Statement of Financial Position are stated inclusive of GST.

2.9 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the Financial Statements.

3. Critical accounting estimates and judgements

The Fund may make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates of the carrying value of financial assets and financial liabilities are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Given the nature of portfolio of investments in the Fund, no critical accounting estimates or judgements are required. Refer to notes 2.1(c) and 5.3 for further information on fair value estimation.

Movements in the fair value of investments at fair value through profit or loss after reporting date are a non-adjusting event.

4. Derivative financial instruments

4.1 Equity options and warrants

An option is a contractual agreement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. Equity warrants, like a call option, are a right to buy at a predetermined price per share. As at 31 March 2023, the Fund had the option to buy 11,000 Compagnie Financiere Richemont SA-Reg - A Warrants with a settlement date of 28th November 2023. The warrants held are exchange-traded. The fair value for the warrants at 31 March 2023 was \$21,940 (31 March 2022: \$12,545).

5. Financial risk management

5.1 Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk, arising from the financial instruments it holds.

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's investment policy does not allow it to use derivative financial instruments for any purpose other than the hedging of foreign exchange risk.

In November 2020, the Fund received equity options in lieu of a reduced dividend due to the COVID-19 pandemic. The equity options are listed and traded in active markets and the holding of these equity options is not considered to be in breach of the Fund's investment policy. Investments in the equity options are disclosed in notes 4.1, 5.3 and 6.1.

In addition to internal risk management carried out by the Manager, financial risk is also managed by the setting of an investment policy, which is agreed with and monitored by the Supervisor and set out in the Fund's Product Disclosure Statement.

All security investments present a risk loss of capital. The Fund holds only long equity security positions where the maximum loss of capital is limited to the fair value of those positions.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

5.1.1 Market risk

(a) Price risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments - for example, equity securities - are denominated in currencies other than New Zealand dollars, the price initially expressed in foreign currency and then converted into New Zealand dollars will also fluctuate because of changes in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' below sets out how this component of price risk is managed and measured.

The Fund manages price risk through operating a portfolio of securities that is diversified geographically and by industry.

To further mitigate price risk the Fund's investment policy imposes the following criteria on investment selection:

- the maximum exposure to any security listed on a recognised exchange is limited to 5.00% of the Net Asset Value of the Fund;
- the total value of shares (including all forms of equity) in companies not listed on the primary stock exchange in any country is restricted to a maximum total exposure of 10% of the Net Asset Value of the Fund with each individual position capped at 5.00% of the Net Asset Value of the Fund;
- the Fund will not utilise leverage;
- the Fund will not utilise derivatives (other than forward foreign exchange contracts and options for hedging purposes).

The table below summarises the sensitivity of the Fund's net assets attributable to Unitholders to equity price movements, including the effect of movements in foreign currency exchange rates on equity prices, as at 31 March. If the prices of equity securities in which the Fund invest in at the year end had increased or decreased by 5% with all other variables held constant, this would have had the following impact on the operating profit and Net Assets Attributable to Unitholders:

\$	Elevation Capital Global Shares Fund	
	2023	2022
As at 31 March		
5% increase in equity prices	1,439,475	1,463,871
5% decrease in equity prices	(1,438,378)	1,375,022

Notes to the Financial Statements

(b) Foreign exchange risk

The Fund holds both monetary and non-monetary assets denominated in currencies other than New Zealand dollars, the functional currency. Foreign currency risk, as defined in NZ IFRS 7, 'Financial Instruments: Disclosures', arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in currencies other than the functional currency fluctuate due to changes in foreign exchange rates. NZ IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Fund may enter into foreign exchange derivatives to hedge the foreign currency risk implicit in the value of the portfolio securities denominated in foreign currency. The Fund may choose not to enter into any foreign currency hedging transactions. As the nature of these contracts is to manage the international investment activities of the Fund, they are accounted for by marking to market at balance date in a manner consistent with the valuation of the underlying securities.

At the balance date the Fund had the following foreign currency exposures (expressed in NZD equivalents):

\$	Monetary assets and liabilities		Non-monetary assets and liabilities	
	2023	2023	2022	2022
As at 31 March				
Monetary/Non-monetary assets/(liabilities)				
Australian Dollar (AUD)	6,966	369,318	41,550	471,823
Swiss Franc (CHF)	14	1,744,973	(48)	1,497,321
Euro (EUR)	76	7,167,785	(134)	5,119,774
British Pound (GBP)	134	773,362	10,874	1,059,994
Hong Kong dollar (HKD)	251	933,598	28	1,269,569
United States Dollar (USD)	14,409	16,310,920	1,285,992	16,284,766

At Balance Date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 5% with all other variables held constant, the impact on the operating profit and Net Assets Attributable to Unitholders would have been as follows:

\$	Monetary assets and liabilities		Non-monetary assets and liabilities	
	2023	2023	2022	2022
As at 31 March				
Exchange rates increased by 5%	(1,040)	(1,299,998)	(63,727)	(1,223,964)
Exchange rates decreased by 5%	1,150	1,436,840	70,435	1,352,802

(c) Cash flow interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund may hold cash and cash equivalents in New Zealand dollars that expose the Fund to cash flow interest rate risk.

\$	Elevation Capital Global Shares Fund	
	2023	2022
As at 31 March		
Cash and cash equivalents		
At call	1,232,519	1,864,626

The table below summarises the impact on the operating profit and Net Assets Attributable to Unitholders had the relevant interest rates increased or decreased by 1% at balance date with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonably possible shift in interest rates with regard to historical volatility.

\$	Elevation Capital Global Shares Fund	
	2023	2022
As at 31 March		
Increase of 1%	12,325	18,646
Decrease of 1%	(12,325)	(18,646)

5.1.2 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Fund. The Fund is primarily exposed to credit risk through its investment activities. The maximum credit risk of financial instruments is considered to be the carrying value. The Supervisor regularly reviews and approves an investment strategy that is implemented by the Manager. The investment strategy incorporates an appropriate diversification of investments and ensures that the Fund has no significant concentration of credit risk.

The Fund's cash holdings are invested with ANZ which is rated as AA- by Standard & Poors (2022: AA-). The Fund also has cash balances held by its custodian, BNP Paribas which has a short-term rating of A-1, and a long term senior debt rating of A+ by Standard & Poors with a stable outlook (2022: A-1 for short term and A+ for long term).

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider the **probability of default to be close to zero as the instruments** have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on expected credit losses as any such impairment would be wholly insignificant to the Fund.

Notes to the Financial Statements

5.1.3 Liquidity 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 Fund is exposed only to the settlement of administration expenses and monthly redemptions of units. Its policy is therefore to invest the majority of assets in investments that are traded in an active market and can be readily disposed.

The table below analyses the Fund's financial liabilities into relevant maturity grouping based on the remaining period at the Balance Date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows, excluding gross settled derivatives.

\$	Elevation Capital Global Shares Fund	
	2023	2022
As at 31 March		
Related party payables		
7 days to 1 month	30,876	29,998
1- 12 months	14,244	14,154
	<u>45,120</u>	<u>44,152</u>
Distribution payable		
Less than 1 month	159,001	148,051
Withdrawals payable		
Less than 1 month	547,695	44,405
Other payables		
7 days to 1 month	4,789	4,650
1 - 12 months	6,651	21,852
	<u>11,440</u>	<u>26,502</u>

5.2 Capital risk management

The Fund's capital is represented by Net assets attributable to Unitholders. The Fund's objectives when managing capital are to provide returns for Unitholders through both capital growth and income. The Fund does this by investing in a portfolio of equities listed on exchanges globally. Investment decisions are guided by the mandate included in the product disclosure statement and statement of investment policies and objectives. The Fund strives to invest the subscriptions of Unitholder funds in investments that meet the Fund's objectives while maintaining sufficient liquidity to meet Unitholder redemptions. The Fund does not have any externally imposed capital requirements. Units may be redeemed on the last business day of each month, or such other dates as the Manager shall from time to time determine, subject to receipt of the redemption request.

5.3 Fair value estimation

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker or pricing service, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as over the counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, options pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

The carrying value of other receivables and payables approximate their fair values.

NZ IFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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 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.

The determination of what constitutes 'observable' requires significant judgement by the Manager. The Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

The following table analyses the fair value hierarchy for the Funds' financial assets measured at fair value at the year end:

\$	Elevation Capital Global Shares Fund	
	2023	2022
As at 31 March		
Level 1 Assets		
<i>Financial assets at fair value through profit or loss</i>		
Listed equities	28,767,555	27,249,541
Listed equity options	21,940	12,545
	<u>28,789,495</u>	<u>27,262,086</u>

The valuation of all of the Fund's holdings of listed equity securities and equity options are based on quoted market prices in active markets, and therefore classified within Level 1. The Fund does not adjust the quoted price for these instruments.

There have been no transfers in the fair value hierarchy during the financial year.

Notes to the Financial Statements

6. Financial assets at fair value through profit or loss

The Fund has invested in the following:

\$	Elevation Capital Global Shares Fund	
	2023	2022
As at 31 March		
Financial assets at fair value through profit or loss		
Listed equities	28,767,555	27,249,541
Equity options	21,940	12,545
Total financial assets at fair value through profit or loss	28,789,495	27,262,086

7. Financial instruments by geographical distribution

The Fund may hold investments overseas. This exposes the Fund to the risks associated with investing in these countries. The exposure disclosed here differs to the foreign currency risk exposure included in note 5 as this includes all financial instruments and is based on domicile of the financial instrument and not the trading currency. The investments of the Fund (being financial assets at fair value through profit or loss, bank overdrafts, other payables, other receivables and cash and cash equivalents) are represented by geographical segment as follows:

Geographical sector concentration

\$	Elevation Capital Global Shares Fund	
	2023	2022
As at 31 March		
New Zealand	1,880,019	1,962,502
Australia	376,284	513,373
Americas	15,451,118	16,744,218
Europe and United Kingdom	10,545,922	8,514,321
Asia	933,598	1,269,596
Total	29,186,941	29,004,010

8. Financial instruments by category

\$	Elevation Capital Global Shares Fund	
	2023	2022
As at 31 March		
Financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	28,789,495	27,262,086
Total financial assets at fair value through the profit or loss	28,789,495	27,262,086
Financial assets at amortised cost		
Cash and cash equivalents	1,232,519	1,864,626
Outstanding settlements receivable	-	5,552
Contributions receivable	49,094	140,502
Other receivables	13,186	22,307
Total financial assets at amortised cost	1,294,799	2,032,987
Total financial assets	30,084,294	29,295,073
Financial liabilities at amortised cost		
Related party payables	45,120	44,152
Distribution payable	159,001	148,051
Withdrawals payable	547,695	44,405
Other payables	11,440	26,502
Total financial liabilities at amortised cost	763,256	263,110
Total financial liabilities	763,256	263,110

Notes to the Financial Statements

9. Related parties

9.1 General

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Elevation Capital Management Limited (ECML) is the Manager of the Fund and The Public Trust is the Supervisor of the Fund.

Swasbrook Securities Limited (formerly known as CGS & CVS Limited), controlled by Christopher Swasbrook, the Managing Director of the Manager, holds 90.87% (31 March 2022: 90.87%) of the issued share capital of the Manager. The Stobo Family Trust, (Craig Stobo), director of the Manager holds 7.05% (31 March 2022: 7.05%) of the issued share capital of the Manager.

9.2 Related party fees

The Fund has transacted with related parties during the year as follows:

		Elevation Capital Global Shares Fund	
		2023	2022
\$			
For the year ended 31 March			
Elevation Capital Management Limited	Management fees	356,865	353,210
Public Trust	Supervisor fees	23,000	23,000
Public Trust	Custodian Fees	20,236	13,748
		<u>400,101</u>	<u>389,958</u>

The Fund owed the following amounts to related parties at balance date:

		Elevation Capital Global Shares Fund	
		2023	2022
\$			
As at 31 March			
Elevation Capital Management Limited	Management fees	30,876	29,998
Public Trust	Supervisor fees	7,780	7,667
Public Trust	Custodian Fees	6,464	6,487
		<u>45,120</u>	<u>44,152</u>

Under the Trust Deed the management fees payable to Elevation Capital Management Limited are payable monthly in arrears. All balances are unsecured, settled in cash and do not attract interest.

Supervisor fees payable to The Public Trust are payable monthly in arrears. All balances are unsecured, settled in cash and do not attract interest.

9.3 Investments by related parties

ECML directors' interest, as well as related parties of directors' interest, in the Fund at balance date were 705,991 (31 March 2022: 385,264) units represented 5.03% (31 March 2022: 2.79%) of unit holders' interest in the Fund.

10. Reconciliation of operating profit to net cash outflow from operating activities

		Elevation Capital Global Shares Fund	
		2023	2022
\$			
For the year ended 31 March			
Operating profit		437,954	654,126
Adjustments for non-cash items			
Net unrealised change in financial assets at fair value through profit or loss		(1,521,855)	(5,648,934)
Net foreign currency gains or losses on cash and cash equivalents		(141,947)	54,237
(Increase)/decrease in trade and other receivables		9,121	(11,391)
Increase/(decrease) in trade and other payables		(14,094)	7,344
		<u>(1,668,775)</u>	<u>(5,598,744)</u>
Net cash (outflow) from operating activities		<u>(1,230,821)</u>	<u>(4,944,618)</u>

11. Assets and liabilities not carried at fair value but for which fair value is disclosed

All financial assets and liabilities not measured at fair value through profit or loss are carried at amortised cost and their carrying values are a reasonable approximation of fair value.

Cash and cash equivalents referred to in Note 8 include cash on hand, deposits held with banks and brokers.

12. Commitments and contingent liabilities

There are no material commitments or contingencies as at 31 March 2023 (31 March 2022: nil).

13. Events occurring after the balance sheet date

No significant events have occurred since the reporting date which would have impacted the financial position of the Fund disclosed in the Statements of Financial Position as at 31 March 2023 or on the results and cash flows of the Fund for the reporting period ended on that date.



Independent auditor's report

To the unitholders of Elevation Capital Global Shares Fund (the Fund)

Our opinion

In our opinion, the accompanying financial statements of the Fund present fairly, in all material respects, the financial position of the Fund as at 31 March 2023, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 March 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Fund in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Subject to certain restrictions, employees of our firm may invest in the Fund on normal terms within the ordinary course of trading activities of the Fund. This has not impaired our independence as auditor of the Fund. Other than in our capacity as auditor, we have no other relationships with, or interests in, the Fund.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
<p>Valuation and Existence of financial assets at fair value through profit or loss</p> <p>Refer to notes 5.3 and 6 to the financial statements for disclosures of financial assets at fair value through profit or loss.</p> <p>This was an area of focus for our audit as it represents the majority of the net assets of the Fund.</p> <p>Valuation</p> <p>The fair value of the financial assets traded in active markets are based on quoted market prices at 31 March 2023 and are categorised as level 1 in the fair value hierarchy.</p> <p>The Fund invests into listed equities and listed equity options. All financial assets at fair value through profit or loss are traded in active markets.</p> <p>Existence</p> <p>Holdings of all financial assets at fair value through profit or loss are held by the Custodian on behalf of the Fund.</p>	<p>We assessed the processes employed by the Manager for recording and valuing the financial assets at fair value through profit or loss including the relevant controls operated by a third party service organisation, the Administrator. Our assessment of the business processes included obtaining the internal controls report over investment accounting provided by the Administrator. We evaluated the evidence provided by the internal controls report over the design and operating effectiveness of the relevant controls operated by the Administrator for the year ended 31 March 2023.</p> <p>For all financial assets where quoted prices in active markets were available, we compared the market price at the reporting date and the exchange rates at which they had been converted from foreign currencies to New Zealand dollars to independent third party pricing sources.</p> <p>We obtained confirmation from the Custodian for all of the financial assets at fair value through profit or loss held by the Fund as at 31 March 2023.</p>

Our audit approach

Overview

Materiality

Our materiality for the Fund is calculated based on 1% of unitholders' funds for the Fund.

We chose unitholders' funds as the benchmark because, in our view, the objective of the Fund is to provide unitholders with a total return on the Fund's net assets, taking into account both capital and income returns.

Key audit matters

As reported above, we have one key audit matter, being Valuation and Existence of financial assets at fair value through profit or loss



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements of the Fund as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements of the Fund as a whole.

How we tailored our audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of the Fund as a whole, taking into account the structure of the Fund, the Fund's investments and the accounting and registry processes and controls.

Elevation Capital Management Limited, the Manager is responsible for the governance and control activities of the Fund. The Fund's investments are held by the Custodian. The Manager has outsourced investment accounting (Administrator) and registry services (Registrar) to third party service providers.

In completing our audit, we performed relevant audit procedures over the control environment of the Custodian, the Administrator, the Registrar and the Manager to support our audit conclusions.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon which the annual report will refer to. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and use our professional judgement to determine the appropriate action to take.



Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Fund's unitholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's unitholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Vatsana Vanpraseuth.

For and on behalf of:

A handwritten signature in black ink that reads 'Vatsana Vanpraseuth'.

Chartered Accountants

Auckland

26 July 2023