

BTS Rail Mass Transit Growth Infrastructure Fund  
Report and financial statements  
For the year ended 31 March 2020

## **Independent Auditor's Report**

To the Unitholders of BTS Rail Mass Transit Growth Infrastructure Fund

### **Opinion**

I have audited the accompanying financial statements of BTS Rail Mass Transit Growth Infrastructure Fund (the Fund), which comprise the balance sheet, including the details of investments as at 31 March 2020, and the related statements of income, changes in net assets, cash flows and significant financial information for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BTS Rail Mass Transit Growth Infrastructure Fund as at 31 March 2020, its financial performance, changes in net assets and cash flows, and significant financial information for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Fund in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matters**

I draw attention to Note 1.2 to the financial statements regarding the COVID-19 pandemic. The Fund's management assessed the financial impact in respect of the fair value of investment in the Net Revenue Purchase and Transfer Agreement and the Fund has recorded the impact in the financial information for the year ended 31 March 2020. My opinion is not modified in respect of this matter.

## **Key Audit Matter**

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

### **Measurement of Investment in the Net Revenue Purchase and Transfer Agreement**

As described in Note 6 to the financial statements, the Fund presented the investment in the Net Revenue Purchase and Transfer Agreement in the balance sheet as at 31 March 2020 at its fair value of Baht 52,410 million, representing 98% of total assets. The investment is not traded in an active market and a quoted price is not available for the same or similar investments. Therefore, the Fund's management determined the fair value of the investment based on the appraisal value calculated by an independent appraiser using the income approach. The Fund's management had to exercise significant judgement with respect to the projections of future operating performance and assessment of the future plans for managing the investment, including the determination of an appropriate discount rate and key assumptions. Therefore, I addressed the importance to the audit of the measurement of the investment's value.

I have gained an understanding of the calculation of the fair value of the investment in the Net Revenue Purchase and Transfer Agreement. I considered the scope and objectives of the fair value measurement performed by an independent appraiser, and evaluated the techniques and models applied by the independent appraiser to measure fair value, as specified in the fair value report prepared by the independent appraiser. I have also considered the consistency of the use of the techniques and models, and evaluating the competence and the independence of the independent appraiser based on the examination of publicly available information. I also reviewed the key information and the reasonableness of key assumptions used in the measurement by comparing the information on actual operating performance with the information used in the estimation of cash flows expected to be realised in the future to evaluate the judgement of the Fund's management and tested the fair value calculation in accordance with the above models and assumptions.

#### **Other Information**

Fund's management is responsible for the other information. The other information comprise the information included in annual report of the Fund, but does not include the financial statements and my auditor's report thereon. The annual report of the Fund is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

When I read the annual report of the Fund, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the Fund's management for correction of the misstatement.

## **Responsibilities of Fund's Management for the Financial Statements**

Fund's management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management 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, management 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund's management is responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Fund's management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Fund's management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Fund's management, I determine this matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Pinpaka Akaranuphong  
Certified Public Accountant (Thailand) No. 5767

EY Office Limited  
Bangkok: 28 May 2020

**BTS Rail Mass Transit Growth Infrastructure Fund****Balance sheet****As at 31 March 2020**

(Unit: Baht)

	Note	2020	2019
<b>Assets</b>			
Investment in the Net Revenue Purchase and Transfer Agreement at fair value (at cost: Baht 61,472 million (2019: Baht 61,432 million))	6	52,410,000,000	59,100,000,000
Investments in securities at fair value (at cost: Baht 957 million (2019: Baht 1,105 million))		958,506,834	1,106,545,817
Cash at banks	9	38,987,357	66,972,989
Account receivable from the Net Revenue Purchase and Transfer Agreement	10	50,012,453	-
Accounts receivable from interest		44,774	82,840
Other assets		4,066,558	4,831,122
<b>Total assets</b>		<u>53,461,617,976</u>	<u>60,278,432,768</u>
<b>Liabilities</b>			
Account payable from the Net Revenue Purchase and Transfer Agreement	10	-	141,433,034
Other payables and accrued expenses		24,797,200	9,585,938
Specific business tax payable		542,300	6,015,255
Other liabilities		28,231,553	2,081,899
<b>Total liabilities</b>		<u>53,571,053</u>	<u>159,116,126</u>
<b>Net assets</b>		<u>53,408,046,923</u>	<u>60,119,316,642</u>
<b>Net assets</b>			
Registered capital 5,788,000,000 units of Baht 10.0810 each (31 March 2019: 5,788,000,000 units of Baht 10.6110 each)	11	<u>58,348,828,000</u>	<u>61,416,468,000</u>
Paid-in capital from unitholders		58,348,828,000	61,416,468,000
Deficits	12	<u>(4,940,781,077)</u>	<u>(1,297,151,358)</u>
<b>Net assets</b>		<u>53,408,046,923</u>	<u>60,119,316,642</u>
		-	-
Net asset value per unit		9.2273	10.3868
Number of units issued - end of year (units)		5,788,000,000	5,788,000,000

The accompanying notes are an integral part of the financial statements.

.....  
(Mr. Winai Hirunpinyopard)

Managing Director

**BTS Rail Mass Transit Growth Infrastructure Fund**

**Details of investments**

As at 31 March 2020

Details of investments classified by asset classes

Type of investment	2020			2019		
	Cost	Fair value	Percentage	Cost	Fair value	Percentage
	(Baht)	(Baht)	(Percent)	(Baht)	(Baht)	(Percent)
<b>Investment in the infrastructure business (Note 6)</b>						
Investment in the Net Revenue Purchase and Transfer Agreement to acquire the net revenue to be generated from the operations of the Core BTS SkyTrain System pursuant to the concession agreement dated 9 April 1992 and its amendments entered into between the Bangkok Metropolitan Administration and Bangkok Mass Transit System Public Company Limited from 17 April 2013 until the expiration of the Concession Agreement (4 December 2029)	61,472,164,496	52,410,000,000	98.20	61,432,135,000	59,100,000,000	98.16
<b>Total investment in the infrastructure business</b>	<b>61,472,164,496</b>	<b>52,410,000,000</b>	<b>98.20</b>	<b>61,432,135,000</b>	<b>59,100,000,000</b>	<b>98.16</b>

Type of investment	Maturity date	Yield rate (Percent per annum)	2020			2019		
			Par value (Baht)	Fair value (Baht)	Percentage of investment (Percent)	Par value (Baht)	Fair value (Baht)	Percentage of investment (Percent)
<b>Investments in securities</b>								
<b>Bond</b>								
Bank of Thailand	CB19606A	6 June 2019	-	-	-	640,000,000	638,050,188	1.06
Bank of Thailand	CB19606B	6 June 2019	-	-	-	100,000,000	99,711,520	0.17
Bank of Thailand	CB19613A	13 June 2019	-	-	-	255,000,000	254,161,417	0.42
Bank of Thailand	CB19613B	13 June 2019	-	-	-	115,000,000	114,622,692	0.19
Bank of Thailand	CB20604A	4 June 2020	636,000,000	635,018,503	1.19	-	-	-
Bank of Thailand	CB20604B	4 June 2020	234,000,000	233,643,582	0.44	-	-	-
Bank of Thailand	CB20611A	11 June 2020	90,000,000	89,844,749	0.17	-	-	-
<b>Total investments in bond</b>			<b>960,000,000</b>	<b>958,506,834</b>	<b>1.80</b>	<b>1,110,000,000</b>	<b>1,106,545,817</b>	<b>1.84</b>
<b>Total investments in securities</b>			<b>960,000,000</b>	<b>958,506,834</b>	<b>1.80</b>	<b>1,110,000,000</b>	<b>1,106,545,817</b>	<b>1.84</b>
<b>Total investments</b>			<b>62,432,164,496</b>	<b>53,368,506,834</b>	<b>100.00</b>	<b>62,542,135,000</b>	<b>60,206,545,817</b>	<b>100.00</b>

The accompanying notes are an integral part of the financial statements.

(Mr. Winai Hirunpinyopard)

Managing Director



**BTS Rail Mass Transit Growth Infrastructure Fund****Income statement****For the year ended 31 March 2020**

		(Unit: Baht)	
	Note	2020	2019
<b>Investment income</b>			
Income from the investment in the Net Revenue Purchase and Transfer Agreement	8, 10	4,798,391,947	4,603,000,520
Interest income		<u>20,352,140</u>	<u>17,652,577</u>
<b>Total income</b>		<u>4,818,744,087</u>	<u>4,620,653,097</u>
<b>Expenses</b>			
Management fee	10, 14	47,814,143	52,830,373
Trustee fee	14	12,750,438	14,088,099
Registrar fee	14	5,112,377	5,350,000
Professional fees		8,390,931	12,544,041
Tax expenses from investing		77,297	-
Other expenses		<u>14,585,715</u>	<u>10,459,823</u>
<b>Total expenses</b>		<u>88,730,901</u>	<u>95,272,336</u>
<b>Net investment income</b>		<u>4,730,013,186</u>	<u>4,525,380,761</u>
<b>Net losses on investments</b>			
Net losses on valuation of investments		<u>(6,729,850,906)</u>	<u>(6,300,031,837)</u>
<b>Total net losses on investments</b>		<u>(6,729,850,906)</u>	<u>(6,300,031,837)</u>
<b>Changes in net assets resulting from operations</b>		<u>(1,999,837,720)</u>	<u>(1,774,651,076)</u>

The accompanying notes are an integral part of the financial statements.

.....  
(Mr. Winai Hirunpinyopard)

Managing Director

**BTS Rail Mass Transit Growth Infrastructure Fund****Statement of changes in net assets****For the year ended 31 March 2020**

		(Unit: Baht)	
	Note	2020	2019
<b>Changes in net assets resulting from operations during the year</b>			
Net investment income		4,730,013,186	4,525,380,761
Net losses on valuation of investments		<u>(6,729,850,906)</u>	<u>(6,300,031,837)</u>
<b>Changes in net assets resulting from operations</b>		(1,999,837,720)	(1,774,651,076)
Payments of investment unit value from capital reduction during the year	11	(3,067,639,999)	-
Distributions to unitholders during the year	13	<u>(1,643,792,000)</u>	<u>(4,694,068,000)</u>
<b>Changes in net assets during the year</b>		(6,711,269,719)	(6,468,719,076)
Net assets at the beginning of the year		<u>60,119,316,642</u>	<u>66,588,035,718</u>
Net assets at the end of the year		<u><u>53,408,046,923</u></u>	<u><u>60,119,316,642</u></u>
		-	-

The accompanying notes are an integral part of the financial statements.

.....  
(Mr. Winai Hirunpinyopard)

Managing Director

**BTS Rail Mass Transit Growth Infrastructure Fund****Cash flow statement****For the year ended 31 March 2020**

(Unit: Baht)

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Changes in net assets resulting from operations	(1,999,837,720)	(1,774,651,076)
Adjustments to reconcile the changes in net assets resulting from operations to net cash from operating activities:		
Purchases of investments in the Net Revenue Purchase and Transfer Agreement	(40,029,496)	-
Purchases of investments in securities	(4,612,253,030)	(6,626,799,532)
Sales of investments in securities	4,780,000,000	6,545,000,000
Net purchases and sales of investments in securities	167,746,970	(81,799,532)
(Increase) decrease in account receivable from the Net Revenue Purchase and Transfer Agreement	(50,012,453)	59,783,921
Decrease (increase) in accounts receivable from interest	38,066	(9,301)
Decrease in other assets	764,564	117,164
Increase (decrease) in account payable from the Net Revenue Purchase and Transfer Agreement	(141,433,034)	141,433,034
Increase in other payables and accrued expenses	15,211,262	2,677,649
Increase (decrease) in specific business tax payable	(5,472,955)	1,813,717
Increase in other liabilities	26,149,654	50,768
Amortisation of discounts on investments	(19,529,397)	(16,300,334)
Net losses on valuation of investments	6,729,850,906	6,300,031,837
<b>Net cash from operating activities</b>	<u>4,683,446,367</u>	<u>4,633,147,847</u>
<b>Cash flows from financing activities</b>		
Payments of investment unit value from capital reduction	(3,067,639,999)	-
Distributions to unitholders	(1,643,792,000)	(4,694,068,000)
<b>Net cash used in financing activities</b>	<u>(4,711,431,999)</u>	<u>(4,694,068,000)</u>
<b>Net decrease in cash at banks</b>	(27,985,632)	(60,920,153)
Cash at banks at the beginning of the year	66,972,989	127,893,142
<b>Cash at banks at the end of the year</b>	<u>38,987,357</u>	<u>66,972,989</u>
	-	-

The accompanying notes are an integral part of the financial statements.

.....  
(Mr. Winai Hirunpinyopard)

Managing Director

**BTS Rail Mass Transit Growth Infrastructure Fund****Significant financial information**

For the year ended 31 March 2020

(Unit: Baht)

	2020	2019	2018	2017	2016
<b>Operating performance (per unit)</b>					
Net asset value at the beginning of the year	10.3868	11.5045	11.5801	11.5382	11.3145
Income from investment operations					
Net investment income	0.8172	0.7818	0.7985	0.7745	0.6946
Net gains (losses) on valuation of investments	(1.1627)	(1.0885)	(0.0691)	0.0634	0.2401
Total income from investment operations	(0.3455)	(0.3067)	0.7294	0.8379	0.9347
Less: Payments of investment unit value from capital reduction	(0.5300)	-	-	(0.0640)	(0.0480)
Distributions to unitholders	(0.2840)	(0.8110)	(0.8050)	(0.7320)	(0.6630)
Net asset value at the end of the year	<u>9.2273</u>	<u>10.3868</u>	<u>11.5045</u>	<u>11.5801</u>	<u>11.5382</u>
	-				
<b>Ratio of the changes in net assets resulting from operations to average net assets during the year (%)</b>	-3.36	-2.70	6.32	7.25	8.22
<b>Significant financial ratios and additional information</b>					
Net assets at the end of the year (Baht)	53,408,046,923	60,119,316,642	66,588,035,718	67,025,821,164	66,783,595,250
Ratio of total expenses to average net assets during the year (%)	0.15	0.14	0.14	0.17	0.72
Ratio of total investment income to average net assets during the year (%)	8.11	7.02	7.06	6.87	6.83
Ratio of weighted average investment purchases, sales and increases during the year to average net assets during the year (%)*	0.35	0.37	0.35	0.37	0.15
Average net assets during the year (Baht)	59,452,712,510	65,826,659,522	66,782,170,165	66,876,292,580	65,850,435,234

\* Investment purchases and sales exclude cash at banks and investments in promissory notes, and must be real purchases or sales of investments which exclude purchases under resale agreements or sales under repurchase agreements.

The accompanying notes are an integral part of the financial statements.

(Mr. Winai Hirunpinyopard)

Managing Director

## **BTS Rail Mass Transit Growth Infrastructure Fund**

### **Notes to financial statements**

**For the year ended 31 March 2020**

#### **1. General information**

##### **1.1 Description of BTS Rail Mass Transit Growth Infrastructure Fund**

BTS Rail Mass Transit Growth Infrastructure Fund (“the Fund”) is a specified infrastructure business fund with the specific investment project to invest detailed in the Fund’s prospectus. The Fund was established and registered as a closed-end infrastructure fund on 17 April 2013 with no project life stipulated. The Fund raised funds from the public and general investors, with the main objective of utilising the proceeds from such fund raising to invest in infrastructure businesses. The Fund initially invested in acquiring the net revenue to be generated from the operations of the Core BTS Skytrain System from Bangkok Mass Transit System Public Company Limited (“BTSC”), covering the 23.5 kilometer original lines of the BTS SkyTrain System, consisting of the 17.0 kilometer in Sukhumvit line from Mo-Chit to On-Nut, and the 6.5 kilometer in Silom line from National Stadium to Taksin Bridge (“the Core BTS Skytrain System”). The Fund may also engage in activities within the scope allowed under the regulations of the Office of the Securities and Exchange Commission and other relevant notifications, with a view to generate income and returns for the Fund and the unitholders. This may include investment in other securities and/or deriving benefits from other means as prescribed by securities laws and/or other relevant laws.

On 17 April 2013, the Stock Exchange of Thailand approved the listing of the Fund’s units and permitted their trading in the Stock Exchange of Thailand on 19 April 2013.

The Fund is managed by BBL Asset Management Company Limited (“the Management Company”) and its trustee is Standard Chartered Bank (Thai) Public Company Limited.

As at 31 March 2020, the Fund’s major unitholder is BTS Group Holdings Public Company Limited holding 33.33% of the Fund units issued.

##### **1.2 Coronavirus Disease 2019 Pandemic**

Due to the significant impact of the Coronavirus disease 2019 (COVID-19) pandemic on the Net farebox revenues, the Fund needed to reappraise the asset in this quarter. The Fund, therefore, assigned a professional to forecast the core BTS SkyTrain system performance to reflect the impact of COVID-19, as well as other factors, and to update other assumptions to better reflect current economic conditions and current circumstances, including a lower economic growth rate and inflation rate, the postponement of the improvement of Saphan Taksin station, and the delay of the opening of various train lines. These factors and the shortened concession period resulted in a decrease in the appraisal value, as described in Note 6 to the financial statements “Investment in the Net Revenue Purchase and Transfer Agreement”.

## **2. Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in accordance with the regulations and format specified in Accounting Standard No. 106 “Accounting for Investment Business”.

The financial statements in Thai language are the official statutory financial statements of the Fund. The financial statements in English language have been translated from the Thai language financial statements.

## **3. New financial reporting standards and new accounting guidance that are effective for fiscal years beginning on or after 1 January 2020**

### **(a) Financial reporting standards that became effective in the current year**

During the year, the Fund has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Fund. However, the new standard involves changes to key principles, as summarised below.

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2018)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This new financial reporting standard does not have any significant impact on the Fund's financial statements.

**(b) The Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts effective in the fiscal years beginning on or after 1 January 2020**

For the current year, the Fund prepared its financial statements in accordance with Thai financial reporting standards enunciated under the Accounting Professions Act B.E. 2547 (TFRSs) and in accordance with the basis and format specified in Accounting Standard No.106 "Accounting for Investment Business". However, as TFRSs related to financial instruments are effective for accounting periods beginning on or after 1 January 2020, TAS 106 "Accounting for Investment Business" is cancelled. The Association of Investment Management Companies has, therefore, issued the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts ("the Accounting Guidance"), which has been approved by the Securities and Exchange Commission of Thailand ("SEC"), to be adopted by property funds, real estate investment trusts, infrastructure funds and infrastructure trusts established under the SEC's regulations.

The Accounting Guidance stipulates that an entity adopting the guidance not refer to other financial reporting standards promulgated by the Federation of Accounting Professions of Thailand ("TFAC") in respect of matters covered by the Accounting Guidance, while for those matters not covered by the Accounting Guidance, the entity is to follow the financial reporting standards issued by TFAC that are effective in that financial reporting period.

The Accounting Guidance stipulates rules regarding the classification and measurement of various transactions and balances, including investment properties, leases, consolidated financial statements, revenue and expenses, as well as financial instruments. It requires all financial assets to be measured at fair value through profit or loss and that the costs attributable to issuing equity be deducted from owners' equity. In addition, the Accounting Guidance specifies the components of the financial statements and their presentation format, as well as the notes to the financial statements. The Accounting Guidance contains certain different requirements from those of the previous financial reporting standards that the entity had adopted. Upon initial application, the entity can either adopt the change retrospectively, or adjust the cumulative effect of the change against retained earnings on the initial application date, with no requirement to restate the comparative information. In addition, any costs of issuing equity previously recorded as deferred expense and being amortised over a period of no longer than 5 years, in accordance with TAS 106, can continue to be amortised over the remaining period.

For the adoption of the new Accounting Guidance in the fiscal year beginning on 1 April 2020, the management believe that there will be no significant impact on the Fund's financial statements, except that the Fund is no longer required to present certain financial information, such as financial ratios, in the format previously prescribed by TAS 106.

#### **4. Significant accounting policies**

##### **4.1 Revenue and expense recognition**

Income from the investment in the Net Revenue Purchase and Transfer Agreement is recognised as revenue on an accrual basis, at the amounts stipulated under the agreement.

Interest income is recognised as interest accrues, based on the effective rate method.

Premiums or discounts on debt instruments are amortised evenly throughout the remaining term of the debt instruments, using the effective rate method, and included as part of interest income.

Expenses are recorded on an accrual basis.

##### **4.2 Measurement of investment value**

Investment is recognised at cost, on the date on which the Fund receives the rights in the investment. The cost of investment comprises the purchase price and all direct expenses incurred by the Fund in their acquisition.

##### **Investment in the Net Revenue Purchase and Transfer Agreement**

Investment in the Net Revenue Purchase and Transfer Agreement is stated at fair value. The Management Company measured its fair value as at the balance sheet date using the latest appraisal value from the appraisal report or the review report by an independent appraiser approved by the Securities and Exchange Commission. An appraisal will be made when economic conditions change, but at least every 3 years after the latest valuation date and to be reviewed every year after the latest valuation.

Gains or losses on valuation of investment (if any) are presented as net gains or losses on valuation of investments in the statement of income in the period they occur.



## **Investments in securities**

Investments in marketable debt securities which can be freely traded on an open market are presented at their fair value, based on the latest yield rate quoted by the Thai Bond Market Association as of the date on which the investments are valued. The fair value of investments which cannot be freely traded on an open market is based on the yield rate as quoted by a market maker which the Management Company considers to be the nearest equivalent to fair value. Gains or losses from the valuation of investments are recorded as net gains or losses on valuation of investments in the statement of income. To determine the cost of investments which are disposed of, the average method is used.

Investments in cash at banks, bills of exchange and non-transferable promissory notes are presented using the sum of principal and accrued interest as of the date on which the investment is valued to determine fair value. Accrued interest is separately presented in the balance sheet as "Accounts receivable from interest".

### **4.3 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Fund, whether directly or indirectly, or which are under common control with the Fund.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Fund that gives them significant influence over the Fund, the Management Company, the Infrastructure Business Manager, key management personnel, directors, and officers of the Management Company with authority in the planning and direction of the Fund's operations.

### **4.4 Account receivable from the Net Revenue Purchase and Transfer Agreement**

Account receivable from the Net Revenue Purchase and Transfer Agreement is stated at the net realisable value.

### **4.5 Distribution to unitholders**

Decreases in retained earnings are recognised as at the date a dividend is declared.

### **4.6 Income tax**

The Fund has no corporate income tax liability since it is exempted from corporate income tax in Thailand.

### **4.7 Provision**

Provisions are recognised when the Fund has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.8 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Fund apply a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Fund measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Fund determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires the Management Company to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ. Significant judgements and estimates are as follow:

##### **Fair value of investment**

The fair value of the investment in the Net Revenue Purchase and Transfer Agreement is determined by reference to the appraise value from the appraisal report or the review report by an independent appraiser who uses income approach method. The determination of the fair value of the investment requires the use of estimates for the future cash flows from the Core BTS SkyTrain Business, comprising projected farebox revenues less projected operating and maintenance costs for the remaining period of the concession agreement. An appropriate discount rate is used to discount the series of the projected cash flows to present value of which the aggregate amount equals the fair value of the investment. The assumptions are used in the valuation such as ridership, effective fare, repair and maintenance expenses, operation expense, capital expenditures and discount rate.

## 6. Investment in the Net Revenue Purchase and Transfer Agreement

The Fund entered into a Net Revenue Purchase and Transfer Agreement (“NRTA”) with BTSC on 17 April 2013 to acquire the net revenue to be generated from the operations of the Core BTS SkyTrain System pursuant to the concession agreement dated 9 April 1992 and its amendments (“the Concession Agreement”) entered into between the Bangkok Metropolitan Administration (“BMA”) and BTSC, starting from the effectiveness of the Net Revenue Purchase and Transfer Agreement (17 April 2013) until the expiration of the Concession Agreement (4 December 2029). The net revenue purchased includes, fare box revenues, and any rights and claims under or in connection with or pursuant to the Concession Agreement, after deducting all costs, expenses, capital expenditures, and fees incurred by BTSC in connection with the operating and maintenance of the Core BTS SkyTrain System (other than any financing costs and expenses with respect to working capital facilities or any other financing requirements of BTSC) and selling and administrative expenses. All net revenue and other rights and claims to be purchased by the Fund pursuant to the NRTA does not include revenues generated from BTSC’s other business operations, including revenues from the operation of the Extension BTS SkyTrain System, and the Bus Rapid Transit System under agreements with the BMA, and revenues from advertising and merchandising space on the BTS SkyTrain stations and on the trains.

As stipulated in the NRTA, BTSC agreed to fully reimburse the Fund for any specific business tax in connection with the Net Revenue Purchase and Transfer Agreement.

Under the terms of the NRTA, the Fund will pay BTSC the incentive fees on annual basis if the net revenues for any year are more than the annual net revenue target for that year, at the following rates.

- (a) 10% in respect of the net revenue amount exceeding the 100% but not exceeding 125% of the annual net revenue target
- (b) 15% of the net revenue in respect of the amount exceeding the 125% of the annual net revenue target

Under the sponsor support and guarantee agreement, BTS Group Holdings Public Company Limited (“BTSG”) who is the major shareholder of BTSC, has agreed to provide a limited guarantee for the performance of BTSC under the terms of the NRTA. (However, there is no guarantee provided on the net revenue to be received by the Fund). In addition, BTSG agreed to maintain the shareholding interest in BTSC at 97.46% as a minimum and to secure such sponsor support and guarantee agreement BTSG pledged its aforementioned shares in BTSC and also entered into an agreement to sell, and the Fund to buy, BTSG’s shares in BTSC upon the occurrence of an event of default in accordance with the terms and conditions of the NRTA at the price determined in the agreement to sell, and to buy shares.

On 10 August 2016, the Fund, BTSC and AIA Company Limited (“AIA”) signed memorandum agreement of construction of Suksa Wittaya station (S4) with a value of not more than Baht 650 million and this agreement has been approved by the trustee. Under the agreement, the Fund and AIA will each fund 50 percent of the total construction cost.

Movement of the investment in the NRTA account during the years ended 31 March 2020 and 2019 are summarised below.

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
<b>Investment in the NRTA - at cost</b>		
Investment in the NRTA at the beginning of the year	61,432,135	61,432,135
Add: Construction cost of Suksa Wittaya Station (S4) during the year	<u>40,029</u>	<u>-</u>
Investment in the NRTA at the end of the year	<u>61,472,164</u>	<u>61,432,135</u>
<b>Net gains (losses) on valuation of investments in the NRTA</b>		
Net gains (losses) on valuation of investments at the beginning of the year	(2,332,135)	3,967,865
Net losses on valuation of investments during the year	<u>(6,730,029)</u>	<u>(6,300,000)</u>
Net losses on valuation of investments at the end of the year	<u>(9,062,164)</u>	<u>(2,332,135)</u>
<b>Investment in the NRTA - end of the year - at fair value</b>	<u><u>52,410,000</u></u>	<u><u>59,100,000</u></u>

On 31 March 2020, the value of the investment in the Net Revenue Purchase and Transfer Agreement were reappraised by an independent appraiser using the income approach. Due to the significant impact of the COVID-19 pandemic on the Net farebox revenues, the Fund adjusted the value of this asset to a new fair value of Baht 52,410 million, with a loss on valuation of investments of Baht 6,730 million. This appraisal reflected the impact of COVID-19 and other factors, and various assumptions were updated to reflect current economic conditions and circumstances, including reductions of estimated economic growth and inflation rates, the postponement of the improvement of Saphan Taksin station, and delays in the opening of some train lines.

Key assumptions used in the valuation of investment are summarised below:

	<u>2020</u>	<u>2019</u>
Discount rate (% per annum)	6.00	7.25
Farebox revenue (Million Baht per year)	4,945 - 13,257	7,478 - 14,888

The result of sensitivity analysis for significant assumptions that affect the present value of the investment as at 31 March 2020 and 2019 are summarised below:

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Discount rate		
Increase 0.5%	(1,270)	(1,500)
Decrease 0.5%	1,320	1,500
Farebox revenue		
Increase 1.0%	720	700
Decrease 1.0%	(710)	(800)

## 7. Dividend policy and capital reduction

### Dividend payment

The Fund has a policy to pay dividends to unitholders more than once a year if the Fund has sufficient retained earnings.

- 1) The Management Company is to pay dividend, in aggregate, not less than 90% of its adjusted net profit for the year. The Management Company will calculate the adjusted net profit by deducting from the net profit of the Fund the following items; gains (losses) on valuation of investments from the appraisals or review of the value of the investments, and capital reserve for the repair, maintenance and improvement of the infrastructure business or repayment of any loan or commitment, in according to the plan specified in the prospectus or notified in advance by the Management Company to unitholders.
- 2) In case that the Fund has retained earnings, the Management Company may pay dividend distributions to unitholders out of such retained earnings.
- 3) In case that the Fund has accumulated losses, the Management Company will not pay the dividend neither from adjusted profit as mentioned in 1) nor from retained earnings as mentioned in 2).

The Management Company is to make the dividend payments under 1) within 90 days from the end of the accounting period to which the dividend payment relates, and no more than 90 days from the day following the date of closing the unitholders' register for the interim dividend purposes, unless necessary circumstances in which the Fund is unable to make the dividend payment within such timeframe. In such cases, the Management Company is to notify the unitholders in writing.

In considering the payment of dividends, if the value of interim dividends per unit to be paid is less than or equal to Baht 0.10, the Management Company reserves the right not to pay dividends at that time and to bring such dividends forward for payment together with the next dividend payment.

#### Capital reduction

The Management Company may reduce the Fund's capital in the followings cases:

- 1) The reduction of capital according to plans which may be determined by the Fund.
- 2) The Fund has excess liquidity after disposal of infrastructure assets and payment of dividend to the unitholders, provided that no retained earnings remain.
- 3) The Fund incurs non-cash expenses and such expenses need not be included for the calculation of the adjusted net profit of the Fund.
- 4) Other cases as resolved by the unitholders.

#### **8. Income from the investment in the Net Revenue Purchase and Transfer Agreement**

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Farebox revenue	6,814,244	6,962,495
Less: Operating expenses	(1,245,468)	(1,383,798)
Repair and maintenance expenses	(466,027)	(467,616)
Capital expenditures	<u>(304,357)</u>	<u>(508,080)</u>
Net revenue from investment	<u><u>4,798,392</u></u>	<u><u>4,603,001</u></u>

#### **9. Cash at banks**

Bank/account type	Principal		Interest rate	
	(Thousand Baht)		(% per annum)	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Bangkok Bank Public Company Limited/ Saving account	3,225	47,137	0.125	0.375
Standard Chartered Bank (Thai) Public Company Limited/ Saving account	<u>35,762</u>	<u>19,836</u>	0.500	0.500
Total	<u><u>38,987</u></u>	<u><u>66,973</u></u>		

## 10. Related party transactions

During the year, the Fund had significant business transactions with related parties which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Fund and those companies. Below is a summary of those transactions.

	(Unit: Thousand Baht)		Pricing policy
	For the years ended 31 March		
	<u>2020</u>	<u>2019</u>	
<b>BBL Asset Management Company Limited</b>			
(the Management Company)			
Management fee	47,814	52,830	The basis stated in the prospectus
<b>Bangkok Mass Transit System Public Company Limited</b>			
(a subsidiary of the major unitholder)			
Net fare box revenues received	4,798,392	4,603,001	The basis stated in the agreement
Reimbursement of the specific business tax	44,875	69,196	As incurred
Increase in investment in the Net Revenue Purchase and Transfer Agreement	40,029	-	The basis stated in the agreement

As at 31 March 2020 and 2019, the Fund has the following significant outstanding balances with its related companies.

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
<b>BBL Asset Management Company Limited</b>		
Accrued management fee	3,631	4,098
<b>Bangkok Mass Transit System Public Company Limited</b>		
Account receivable from the Net Revenue Purchase and Transfer Agreement	50,012	-
Account payable from the Net Revenue Purchase and Transfer Agreement	-	141,433

## 11. Unitholders' equity

Movements of the investment units during the years ended 31 March 2020 and 2019 are as follow.

	2020			2019		
	Number of units (Thousand unit)	Value per unit (Baht)	Registered capital (Thousand Baht)	Number of units (Thousand unit)	Value per unit (Baht)	Registered capital (Thousand Baht)
Beginning of the year	5,788,000	10.6110	61,416,468	5,788,000	10.6110	61,416,468
Reduction of investment unit value	-	(0.5300)	(3,067,640)	-	-	-
Ending of the year	<u>5,788,000</u>	<u>10.0810</u>	<u>58,348,828</u>	<u>5,788,000</u>	<u>10.6110</u>	<u>61,416,468</u>

## 12. Deficits

	(Unit: Thousand Baht)	
	For the year ended 31 March	
	<u>2020</u>	<u>2019</u>
Accumulated net investment income	24,522,651	19,997,271
Accumulated net realised gains on investments	2	2
Accumulated net gains (losses) on valuation of investments	(2,332,100)	3,967,931
Less: Accumulated distributions to unitholders	(23,487,704)	(18,793,636)
Retained earnings (deficits) at the beginning of the year	(1,297,151)	5,171,568
Add: Changes in net assets resulting from operations during the year	(1,999,838)	(1,774,651)
Less: Distributions to unitholders during the year	(1,643,792)	(4,694,068)
Deficits at the end of the year	<u>(4,940,781)</u>	<u>(1,297,151)</u>

## 13. Distributions to unitholders

Dividend declared during the years ended 31 March 2020 and 2019 consisted of the following.

Declared date	For the operations period	Per unit (Baht)	Total (Thousand Baht)
14 November 2019	1 July 2019 to 30 September 2019	0.103	596,164
14 February 2020	1 October 2019 to 31 December 2019	0.181	1,047,628
Total dividends for the year ended 31 March 2020		<u>0.284</u>	<u>1,643,792</u>



Declared date	For the operations period	Per unit (Baht)	Total (Thousand Baht)
28 May 2018	1 January 2018 to 31 March 2018	0.200	1,157,600
14 August 2018	1 April 2018 to 30 June 2018	0.196	1,134,448
14 November 2018	1 July 2018 to 30 September 2018	0.209	1,209,692
14 February 2019	1 October 2018 to 31 December 2018	0.206	1,192,328
Total dividends for the year ended 31 March 2019		<u>0.811</u>	<u>4,694,068</u>

#### 14. Expenses

The Management Company calculates the management fee, trustee fee and registrar fee as follows:

##### **Management fee**

A management fee is calculated and charged to the Fund's account on a monthly basis at a rate of 0.075% per annum of the Fund's net assets. The minimum charge is Baht 10 million per annum (excludes value added tax or any other similar tax).

##### **Trustee fee**

A trustee fee is calculated and charged to the Fund's account on a monthly basis at a rate of 0.02% per annum of the Fund's net assets. The minimum charge is Baht 350,000 per month (excludes value added tax or any other similar tax) and the foregoing does not include other expense as actually incurred such as fund transfer fee, bank charges, the expenses for the inspection of assets of the Fund.

##### **Registrar fee**

A registrar fee is calculated at a rate of 0.023% per annum of the Fund's registered capital. The maximum charge is Baht 5 million per annum (excludes value added tax or any other similar tax).

#### 15. Information on investments purchase and sale transactions

During the year ended 31 March 2020, the Fund's investments purchase and sale transactions, excluding cash at bank and investments in promissory notes, amounted to approximately Baht 9,432 million or 15.86% of the average net assets value during the year (2019: Baht 13,092 million, represented 19.89%).

## 16. Commitments

16.1 The Fund is committed to pay management fee, trustee fee and registrar fee to counterparties under the terms and conditions specified in the agreements and the prospectus.

16.2 The Fund is committed to pay the incentive fee as described in the Note 6 to the financial statements.

16.3 The Fund has commitments with contingent expenses as stipulated in the Net Revenue Purchase and Transfer Agreement on behalf of BTSC as follows:

(a) Capital commitments

The Fund has capital commitments in respect of acquisitions of elevated train carriages, the provision of improvements of the Core BTS SkyTrain System, and the renovation an office building.

(b) Lease and service commitments

The Fund has commitments to pay fees in respect of lease and other service agreements.

(c) Commitments under maintenance contracts

The Fund has commitments in respect of the cost of maintenance and spares supply service fees in relation to the project.

(d) Guarantees

The Fund had outstanding bank guarantees amounting to Baht 38 million (2019: Baht 38 million) issued on behalf of BTSC by a bank to the Metropolitan Electricity Authority, in order to guarantee electricity use under the Net Revenue Purchase and Transfer Agreement.

(e) Commitments related to long-term employee benefits

The Fund had commitments in respect of costs related to long-term employee benefit of BTSC's employees who retire during the remaining period of the Core BTS SkyTrain System.

16.4 The Fund had commitments under the memorandum agreement of construction of Suksa Wittaya station (S4) between the Fund, BTSC and AIA with a value of not more than Baht 650 million. Under the agreement, the Fund and AIA will each fund 50 percent of the total construction cost.

16.5 The Fund had commitments which respect to service contracts. Minimum fees required under service contracts were as follows:

	(Unit: Million Baht)	
	<u>2020</u>	<u>2019</u>
Payable:		
In up to 1 year	4	5
In over 1 and up to 5 years	9	13

## 17. Segment information

The Fund operates in a single business segment that is the investment in the Net Revenue Purchase and Transfer Agreement from the Core BTS SkyTrain System and it was carried on in the single geographical area of Bangkok, Thailand. As a result, all revenues, operating profits, assets, and liabilities as reflected in these financial statements are assumed to pertain to the aforementioned business segment and geographic area.

The Fund has revenue from a major customer which is Bangkok Mass Transit System Public Company Limited.

## 18. Fair value hierarchy

As at 31 March 2020 and 2019, the Fund had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	2020			
	Level 1	Level 2	Level 3	Total
The investment in the Net Revenue Purchase and Transfer Agreement	-	-	52,410	52,410
Investments in securities	-	959	-	959

	(Unit: Million Baht)			
	2019			
	Level 1	Level 2	Level 3	Total
The investment in the Net Revenue Purchase and Transfer Agreement	-	-	59,100	59,100
Investments in securities	-	1,107	-	1,107

During the year, the Fund has not changed measurement in fair value hierarchy.

## 19. Financial instruments

### 19.1 Financial risk management

The Fund's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise investments in securities, cash at banks, account receivable and account payable from the Net Revenue Purchase and Transfer Agreement and payable from acquisition of investments in securities. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Fund is exposed to credit risk primarily with respect to account receivable from the Net Revenue Purchase and Transfer Agreement. The Management Company manages the risk by collection of cash receipts of fare box revenues from BTSC daily, and therefore the Fund does not expect to incur material financial losses.

#### ***Interest rate risk***

The Fund's exposure to interest rate risk relates primarily to its investments in securities and cash at banks. However, since most of the Fund's financial assets bear fixed interest rates which are close to the market rate or floating interest rates, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 March 2020				
	Fixed				
	interest rates	Floating	Non-interest	Total	Effective
	within 1 year	interest rate	bearing		interest rate
					(% per annum)
<b>Financial assets</b>					
Investments in securities	959	-	-	959	0.7975 - 1.1000
Cash at banks	-	39	-	39	0.1250 - 0.5000
Account receivable from the Net Revenue Purchase and Transfer Agreement	-	-	50	50	-
<b>Financial liabilities</b>					
Other payable and accrued expenses	-	-	25	25	-
Specific business tax payable	-	-	1	1	-

(Unit: Million Baht)

As at 31 March 2019

	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
<b>Financial assets</b>					
Investments in securities	1,107	-	-	1,107	1.6300 - 1.7050
Cash at banks	-	67	-	67	0.3750 - 0.5000
<b>Financial liabilities</b>					
Account Payable from the Net Revenue					
Purchase and Transfer Agreement	-	-	141	141	-
Other payable and accrued expenses	-	-	10	10	-
Specific business tax payable	-	-	6	6	-

***Foreign currency risk***

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund considers itself no foreign currency risk because it has no foreign currency transactions, and no financial assets and liabilities denominated in foreign currencies outstanding at the balance sheet date.

**19.2 Fair values of financial instruments**

The Fund measures investment in the Net Revenue Purchase and Transfer Agreement and investments in securities at fair value and other financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

**20. Capital management**

The primary objectives of the Fund's financial management are to maintain its ability to continue as a going concern and to maintain an appropriate capital structure in order to provide returns for unitholders in accordance with the Fund's establishment objective.

**21. Approval of financial statements**

These financial statements were authorised for issue by an authorised person of the Management Company on 28 May 2020.