

DIMENSIONAL TRUSTS

Annual Report for the year ended 30 June 2020

Dimensional World Allocation 70/30 Trust

ARSN 152 865 579

Dimensional World Allocation 50/50 Trust

ARSN 162 758 081

Dimensional World Equity Trust

ARSN 162 757 726



ANNUAL REPORT

for the year ended 30 June 2020

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DIMENSIONAL TRUSTS

Directors' Report for the year ended 30 June 2020

The Directors of DFA Australia Limited (ABN 46 065 937 671), the Responsible Entity of the following regulated managed investment schemes, which form part of the Dimensional Trusts, present their report together with the Financial Statements of the following Trusts for the year ended 30 June 2020:

Dimensional World Allocation 70/30 Trust

Dimensional World Allocation 50/50 Trust

Dimensional World Equity Trust

(collectively 'the Schemes')

The Responsible Entity of the Schemes is DFA Australia Limited (the 'Responsible Entity'), a public company incorporated and operating in Australia.

In order to comply with the provisions of the *Corporations Act 2001*, the Directors of the Responsible Entity report as follows:

Directors

The names of the Directors of the Responsible Entity during the year and up to the date of this report (unless otherwise stated) are:

J.G. Crane

S.A. Clark

N.A.D. Stewart

D.P. Butler

C.L. Newell

G.K. O'Reilly

B.P. Singh

DIMENSIONAL TRUSTS

Directors' Report for the year ended 30 June 2020

Principal activities

The Schemes are registered managed investment schemes domiciled in Australia. The principal activity of the Schemes is to invest funds in accordance with their investment objectives and guidelines. These are set out in the Schemes' current Product Disclosure Statements and in accordance with the provisions of their Constitutions. The following is a summary of the investment objectives of the Schemes:

Scheme Name	Investment Objective	Principal Investments
Dimensional World Allocation 70/30 Trust	To provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets, and domestic and global fixed interest securities. The Trust will seek to target approximately 70% exposure to equities and 30% exposure to fixed interest assets.	Ordinarily this Trust will gain some or all of its exposure by investing in other funds managed by the Responsible Entity that invest in equity, real estate and fixed interest securities. The Trust seeks to target approximately 70% exposure to equities (including real estate securities) and 30% exposure to fixed interest (including cash)
Dimensional World Allocation 50/50 Trust	To provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets, and domestic and global fixed interest securities. The Trust will seek to target approximately 50% exposure to equities and 50% exposure to fixed interest assets.	Ordinarily this Trust will gain some or all of its exposure by investing in other funds managed by the Responsible Entity that invest in equity, real estate and fixed interest securities. The Trust seeks to target approximately 50% exposure to equities (including real estate securities) and 50% exposure to fixed interest (including cash).
Dimensional World Equity Trust	To provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets.	Ordinarily this Trust will gain some or all of its exposure by investing in other funds managed by the Responsible Entity that invest in equity and real estate securities.

The Schemes continued to have no employees during the year.

DIMENSIONAL TRUSTS

Directors' Report for the year ended 30 June 2020

Review and results of operations

The results of the operations of the Schemes and the total amount distributable to unitholders are presented below. For details of distributions paid during the year, refer to Note 7 to the Financial Statements.

	Dimensional World Allocation 70/30 Trust Year Ended		Dimensional World Allocation 50/50 Trust Year Ended		Dimensional World Equity Trust Year Ended	
	2020	2019	2020	2019	2020	2019
Profit/(loss) for the year (\$'000)	(28,916)	44,762	(8,915)	21,785	(29,674)	20,399
Distributions paid and payable (\$'000)	23,173	25,435	11,832	14,220	7,194	6,290
Distributions paid and payable (cents per unit)	43.18	63.14	30.51	51.94	29.67	35.88

Matters subsequent to the end of the financial year

There has not been any matter or circumstance, other than that referred to in the Financial Statements thereof, that has arisen since the end of the financial year that has significantly affected, or may significantly affect:

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

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Directors' Report for the year ended 30 June 2020

Significant changes in state of affairs

The coronavirus (COVID-19) outbreak has developed rapidly in 2020, with significant consequences for communities across the globe. Measures taken to contain COVID-19, have resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have adversely affected the global economy, the economies of certain nations and individual issuers, all of which have affected global financial markets and may potentially impact the Schemes' performance. Even with this uncertainty the Schemes continue to be managed in accordance with the investment objective as set out in each Scheme's respective Product Disclosure Statement.

Other than the above, there were no other significant events during the financial year.

Likely developments and expected results of operations

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

The results of the Schemes' operations will be affected by several factors, including the performance of investment markets in which the Schemes invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

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

Options granted

No options were:

- (i) granted over unissued units in the Schemes during or since the end of the financial year; or
- (ii) granted to the Responsible Entity.

No unissued units in the Schemes were under option as at the date on which this report is made.

No units were issued in the Schemes during or since the end of the financial year as a result of the exercise of an option over unissued units in the Schemes.

Indemnification and insurance of officers and auditor

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

DIMENSIONAL TRUSTS

Directors' Report for the year ended 30 June 2020

Fees paid to and interests in the Schemes by the Responsible Entity

Fees paid to the Responsible Entity and its associates out of the Schemes' property during the year are disclosed in the Statements of Comprehensive Income and in Note 9 (e) to the Financial Statements.

No fees were paid out of the Schemes' property to the directors of the Responsible Entity during the year. The number of units in the Schemes held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 9 (d) to the Financial Statements.

The number of interests in the Schemes issued during the financial year, withdrawals from the Schemes during the financial year, and the number of interests in the Schemes at the end of the financial year are disclosed in Note 5 to the Financial Statements.

The value of the Schemes' assets as at the end of the financial year are disclosed in the Statements of Financial Position as 'Total Assets' and the basis of valuation is included in Note 2 to the Financial Statements.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors,



J.G. Crane

Director



B.P. Singh

Director

Sydney, 11 September 2020

DIMENSIONAL TRUSTS

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of Dimensional World Allocation 70/30 Trust, Dimensional World Allocation 50/50 Trust and Dimensional World Equity Trust for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads 'Ashley Wood' with a horizontal line underneath.

A S Wood
Partner
PricewaterhouseCoopers

Sydney
11 September 2020

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DIMENSIONAL TRUSTS

Statements of Comprehensive Income for the year ended 30 June 2020

	Note	Dimensional World Allocation 70/30 Trust		Dimensional World Allocation 50/50 Trust		Dimensional World Equity Trust	
		Year Ended		Year Ended		Year Ended	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income							
Interest income from financial assets at amortised cost		17	31	12	19	7	16
Dividend and distribution income		23,669	25,766	12,142	14,557	7,512	6,842
Net gains/(losses) on financial instruments at fair value through profit or loss	4	(52,127)	19,335	(20,763)	7,407	(36,892)	13,746
Total net investment income/(loss)		(28,441)	45,132	(8,609)	21,983	(29,373)	20,604
Expenses							
Management fees	9(e)	474	370	305	198	300	205
Other expenses		1	–	1	–	1	–
Total operating expenses		475	370	306	198	301	205
Profit/(loss) for the year		(28,916)	44,762	(8,915)	21,785	(29,674)	20,399
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income for the year		(28,916)	44,762	(8,915)	21,785	(29,674)	20,399

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

DIMENSIONAL TRUSTS

Statements of Financial Position as at 30 June 2020

	Note	Dimensional World Allocation 70/30 Trust		Dimensional World Allocation 50/50 Trust		Dimensional World Equity Trust	
		As at		As at		As at	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents		2,281	1,537	1,084	970	1,476	804
Financial assets at fair value through profit or loss	3	859,609	687,664	506,717	371,971	388,764	319,998
Receivables		16,355	26,709	9,584	16,588	2,449	5,457
Total assets		878,245	715,910	517,385	389,529	392,689	326,259
Liabilities							
Distributions payable	7	13,838	19,831	7,381	11,488	3,199	3,600
Payables		449	1,957	183	671	1,010	578
Total liabilities		14,287	21,788	7,564	12,159	4,209	4,178
Net assets attributable to unitholders – equity	5	863,958	694,122	509,821	377,370	388,480	322,081

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

DIMENSIONAL TRUSTS

Statements of Changes in Equity for the year ended 30 June 2020

	Note	Dimensional World Allocation 70/30 Trust		Dimensional World Allocation 50/50 Trust		Dimensional World Equity Trust	
		Year ended		Year ended		Year ended	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		694,122	446,282	377,370	221,738	322,081	175,389
Comprehensive income for the year							
Profit/(loss) for the year		(28,916)	44,762	(8,915)	21,785	(29,674)	20,399
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		(28,916)	44,762	(8,915)	21,785	(29,674)	20,399
Transactions with unitholders	5						
Applications		296,194	269,875	198,346	175,998	143,895	151,373
Redemptions		(78,679)	(43,235)	(45,957)	(28,100)	(41,668)	(19,845)
Units issued upon reinvestment of distributions		4,410	1,873	809	169	1,040	1,055
Distributions paid and payable	7	(23,173)	(25,435)	(11,832)	(14,220)	(7,194)	(6,290)
Total transactions with unitholders		198,752	203,078	141,366	133,847	96,073	126,293
Total equity at the end of the financial year		863,958	694,122	509,821	377,370	388,480	322,081

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

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Statements of Cash Flows for the year ended 30 June 2020

	Note	Dimensional World Allocation 70/30 Trust		Dimensional World Allocation 50/50 Trust		Dimensional World Equity Trust	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		72,797	37,025	47,797	20,684	10,105	2,893
Purchase of financial instruments at fair value through profit or loss		(289,649)	(271,787)	(201,205)	(169,348)	(113,914)	(136,845)
Dividends and distributions received		26,231	16,015	14,546	7,759	8,392	6,326
Interest received		19	30	13	19	8	16
Expenses paid		(470)	(361)	(298)	(192)	(299)	(198)
Other income received		-	-	-	-	-	-
Net cash provided by/(used in) operating activities	8(a)	(191,072)	(219,078)	(139,147)	(141,078)	(95,708)	(127,808)
Cash flows from financing activities							
Proceeds from applications by unitholders		296,634	269,457	200,347	173,936	143,822	151,556
Payments for redemptions by unitholders		(80,062)	(41,453)	(45,955)	(28,129)	(40,888)	(19,713)
Distributions paid		(24,756)	(8,569)	(15,131)	(4,504)	(6,554)	(4,054)
Net cash provided by/(used in) financing activities		191,816	219,435	139,261	141,303	96,380	127,789
Net increase/(decrease) in cash and cash equivalents		744	357	114	225	672	(19)
Cash and cash equivalents at the beginning of the year		1,537	1,180	970	745	804	823
Cash and cash equivalents at the end of the year		2,281	1,537	1,084	970	1,476	804

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

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

1. General information

These Financial Statements present the following registered schemes (the 'Schemes') as individual entities:

Scheme Name	Date of Constitution	Date of Commencement	Date of Activation	Date of Termination
Dimensional World Allocation 70/30 Trust	2 September 2011	24 October 2011	24 October 2011	24 October 2091
Dimensional World Allocation 50/50 Trust	7 March 2013	19 June 2013	1 July 2013	19 June 2093
Dimensional World Equity Trust	7 March 2013	19 June 2013	1 July 2013	19 June 2093

The Schemes are registered managed investment schemes domiciled in Australia. The Schemes may be terminated prior to the termination date in accordance with the provisions of the Schemes' Constitutions.

The Responsible Entity of the Schemes is DFA Australia Limited (the 'Responsible Entity'), a public company incorporated and operating in Australia.

Principal Registered Office and Place of Business of the Responsible Entity

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The Financial Statements are presented in the Australian currency.

The Financial Statements were authorised for issue by the Directors of the Responsible Entity on 11 September 2020. The Directors of the Responsible Entity have the power to amend and reissue the Financial Statements.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

2. Summary of significant accounting policies

Financial reporting framework

These general-purpose Financial Statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, and the *Corporations Act 2001* in Australia.

The Schemes are for-profit entities for the purpose of preparing the Financial Statements.

(a) Basis of preparation

The Schemes are of the kind referred to in *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* dated 18 September 2015 issued by ASIC. In accordance with that Instrument, Schemes with a common Responsible Entity can include the Financial Statements in adjacent columns in a single financial report. The Financial Statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Certain prior year numbers have been reclassified in the Financial Statements to conform to current year presentation.

The Statements of Financial Position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within 12 months after the end of each reporting period cannot be reliably determined.

The following significant accounting policies have been adopted in the preparation and presentation of the Financial Statements and have been consistently applied to all years presented unless otherwise stated below:

(i) Compliance with International Financial Reporting Standards

The Financial Statements of the Schemes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Schemes

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2019 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(iii) New standards, amendments and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been early adopted in preparing these Financial Statements. None of these are expected to have a material effect on the Financial Statements of the Schemes.

(b) Financial instruments

(i) Classification

Financial assets

The Schemes classify financial assets in the following measurement categories:

- > those to be measured subsequently at fair value through profit or loss; and
- > those to be measured at amortised cost.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

2. Summary of significant accounting policies (*continued*)

(b) Financial instruments (*continued*)

(i) Classification (*continued*)

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

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

Financial liabilities

The Schemes invest in derivative financial instruments such as futures and warrants. These derivative financial instruments that have a negative fair value are presented as liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

The Schemes recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in the fair value of the financial assets or financial liabilities from this date. Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Schemes have transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Schemes measure financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the Statements of Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Statements of Comprehensive Income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise. The following represent the basis of valuation for financial reporting purposes:

- (i) Securities listed or traded on an exchange are fair valued based on quoted 'last' prices on long securities.
- (ii) Securities not listed on a securities exchange or that are thinly traded are valued using quotes from brokers. Investments in unlisted unit trusts are valued at the mid price as established by the underlying trust's Responsible Entity.
- (iii) In the absence of quoted values or brokers' representative prices, securities are valued using appropriate valuation techniques as reasonably determined by the Responsible Entity.

The Responsible Entity has determined that the Schemes are an investment entity under AASB 10 as they meet all the criteria and characteristics of an investment entity.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

2. Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Impairment

At each reporting date, the Schemes shall measure the loss allowance on financial assets at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Schemes shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment that is more than 30 days past due. Any contractual payment that is more than 90 days past due is considered credit impaired.

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

Financial assets measured at amortised cost are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in the Statements of Comprehensive Income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the Statements of Comprehensive Income.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements 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.

(d) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Schemes at any time for cash based on the redemption price, which is equal to a proportionate share of the Schemes' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Schemes. This amount represents the expected cash flows on redemption of these units.

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

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

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

2. Summary of significant accounting policies (*continued*)

(e) Investment income

Interest income from financial instruments that are at amortised cost is recognised in the Statements of Comprehensive Income on a time-proportionate basis using the effective interest method.

Dividend income is recognised on the ex-dividend date inclusive of any related foreign withholding tax.

Trust distributions are recognised on an entitlements basis.

(f) Expenses

All expenses, including Responsible Entity fees and custodian fees, are recognised in the Statements of Comprehensive Income on an accruals basis.

(g) Cash and cash equivalents

For the purpose of presentation in the Statements of Cash Flows, cash and cash equivalents include deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, and bank overdrafts. Overdrafts are presented as liabilities in the Statements of Financial Position.

(h) Income tax

Under current legislation, the Schemes are not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders. The Schemes currently incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Statements of Comprehensive Income.

(i) Distributions

Distributions are payable as set out in the Schemes' Constitutions and offering documents, at the end of December and June each year for all Schemes.

Distributions in the current period are recognised in the Statement of Changes in Equity.

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

Income not distributed is included in net assets attributable to unitholder. Where the Schemes' units are classified as liabilities, movements in net assets attributable to unitholders are recognised in the Statements of Comprehensive Income as finance costs.

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Schemes will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

2. Summary of significant accounting policies (*continued*)

(l) Receivables

Receivables may include amounts for dividends, trust distributions, interest and securities sold where settlement has not yet occurred. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

(m) Payables

Payables represent liabilities and accrued expenses for amounts owing by the Schemes at year end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trades are recorded on trade date and normally settled within three business days. Purchases of securities and investments that are unsettled at reporting date are included in payables. The distributions payable to unitholders as at the end of each reporting period are recognised separately in the Statements of Financial Position, where these amounts remain unpaid as at the end of the reporting period.

(n) Applications and redemptions

Applications received for units in the Schemes are recorded net of any Transaction Cost Allowance payable before the issue of units in the Schemes. Redemptions from the Schemes are recorded gross of any Transaction Cost Allowance payable after the cancellation of units redeemed. Unit redemption prices are determined by reference to the net assets of the Schemes, divided by the number of units on issue at or immediately before close of business each day less any Transaction Cost Allowance.

(o) Goods and Services Tax (GST)

The GST incurred on the cost of various services provided to the Responsible Entity by third parties, such as audit fees, custodial fees and other expenses of the Schemes, have been passed on to the Schemes. The Schemes qualify for Reduced Input Tax Credits (RITCs) on certain fees and expenses, which have been recognised in the Statements of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statements of Financial Position. Cash flows related to GST are included in the Statements of Cash Flows on a gross basis.

(p) Foreign currency transactions and translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

2. Summary of significant accounting policies (*continued*)

(q) Use of estimates and judgements

The Schemes make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

Quoted market prices are readily available for most of the Schemes' financial instruments. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates and judgements. Changes in assumptions about these factors could affect the reported fair value of financial instruments. For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

(r) Rounding of amounts

The Schemes are an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the 'rounding off' of amounts in the Financial Statements. Amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

(s) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date of the impairment does not exceed what the amortised cost would have been had the impairment not been recognised.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

3. Financial assets at fair value through profit or loss

	Dimensional World Allocation 70/30 Trust		Dimensional World Allocation 50/50 Trust		Dimensional World Equity Trust	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss						
Units in Australian unlisted unit trusts	859,609	687,664	506,717	371,971	388,764	319,998
Total financial assets at fair value through profit or loss	859,609	687,664	506,717	371,971	388,764	319,998

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in Note 10.

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

Net gains/(losses) recognised in relation to financial assets at fair value through profit or loss:

	Dimensional World Allocation 70/30 Trust		Dimensional World Allocation 50/50 Trust		Dimensional World Equity Trust	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Net gain/(loss) on financial assets at fair value through profit or loss	(52,127)	19,335	(20,763)	7,407	(36,892)	13,746
Total net gain/(loss) on financial instruments at fair value through profit or loss	(52,127)	19,335	(20,763)	7,407	(36,892)	13,746

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

5. Net assets attributable to unitholders

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Schemes classify the net assets attributable to unitholders as equity as they satisfy all the criteria.

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

	Dimensional World Allocation 70/30 Trust				Dimensional World Allocation 50/50 Trust			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Units'000	Units'000	\$'000	\$'000	Units'000	Units'000	\$'000	\$'000
Opening balance	42,283	28,052	694,122	446,282	28,771	17,337	377,370	221,738
Applications	17,939	16,810	296,194	269,875	14,971	13,599	198,346	175,998
Redemptions	(4,885)	(2,701)	(78,679)	(43,235)	(3,611)	(2,179)	(45,957)	(28,100)
Units issued upon reinvestment of distributions	266	122	4,410	1,873	61	14	809	169
Distributions paid and payable	–	–	(23,173)	(25,435)	–	–	(11,832)	(14,220)
Profit/(loss) for the year	–	–	(28,916)	44,762	–	–	(8,915)	21,785
Closing balance	55,603	42,283	863,958	694,122	40,192	28,771	509,821	377,370

	Dimensional World Equity Trust			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Units'000	Units'000	\$'000	\$'000
Opening balance	19,436	11,059	322,081	175,389
Applications	8,881	9,557	143,895	151,373
Redemptions	(2,607)	(1,250)	(41,668)	(19,845)
Units issued upon reinvestment of distributions	61	70	1,040	1,055
Distributions paid and payable	–	–	(7,194)	(6,290)
Profit/(loss) for the year	–	–	(29,674)	20,399
Closing balance	25,771	19,436	388,480	322,081

As stipulated in the Schemes' Constitutions, each unit represents a right to an individual share of the net asset value of the Schemes (based on the market value of the portfolio of investments of the Schemes) and does not extend to a right to the underlying assets of the Schemes.

Financial Risk Management is included in Note 10.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

6. Auditor's remuneration

During the year the following fees were paid or payable for services by PricewaterhouseCoopers Australia (PwC) as the auditor of the Schemes and by PwC's related network firms:

	Dimensional World Allocation 70/30 Trust		Dimensional World Allocation 50/50 Trust		Dimensional World Equity Trust	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$
Audit of the financial report	4,606	4,120	4,606	4,120	4,606	4,120
Other non-audit services	5,189	5,186	5,189	5,186	5,189	5,186
Total services provided by PwC	9,795	9,306	9,795	9,306	9,795	9,306

The auditor's remuneration for auditing Financial Statements and other non-audit services was paid by the Responsible Entity. Other non-audit services include taxation services.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

7. Distributions payable

	Dimensional World Allocation 70/30 Trust				Dimensional World Allocation 50/50 Trust			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	c/unit	c/unit	\$'000	\$'000	c/unit	c/unit
Opening balance	19,831	4,837	46.90	17.24	11,488	1,942	39.93	11.20
Additional provisions for distributions recognised	23,173	25,435	43.18	63.14	11,832	14,220	30.51	51.94
Reductions arising from payments:								
June	(19,831)	(4,837)	(46.90)	(17.24)	(11,488)	(1,942)	(39.93)	(11.20)
December	(9,335)	(5,604)	(18.29)	(16.24)	(4,451)	(2,732)	(12.15)	(12.01)
Closing balance as at 30 June	13,838	19,831	24.89	46.90	7,381	11,488	18.36	39.93

	Dimensional World Equity Trust			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	c/unit	c/unit
Opening balance	3,600	2,418	18.52	21.87
Additional provisions for distributions recognised	7,194	6,290	29.67	35.88
Reductions arising from payments:				
June	(3,600)	(2,418)	(18.52)	(21.87)
December	(3,995)	(2,690)	(17.26)	(17.36)
Closing balance as at 30 June	3,199	3,600	12.41	18.52

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

8. Cash and cash equivalents

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

	Dimensional World Allocation 70/30 Trust		Dimensional World Allocation 50/50 Trust		Dimensional World Equity Trust	
	Year Ended		Year Ended		Year Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss) attributable to unitholders	(28,916)	44,762	(8,915)	21,785	(29,674)	20,399
Proceeds from sale of financial instruments at fair value through profit or loss	72,797	37,025	47,797	20,684	10,105	2,893
Purchase of financial instruments at fair value through profit or loss	(289,649)	(271,787)	(201,205)	(169,348)	(113,914)	(136,845)
Net (gains)/losses on financial instruments at fair value through profit or loss	52,127	(19,335)	20,763	(7,407)	36,892	(13,746)
Change in:						
Receivables	2,563	(9,756)	2,404	(6,800)	881	(518)
Payables	6	13	9	8	2	9
Net cash provided by/(used in) operating activities	(191,072)	(219,078)	(139,147)	(141,078)	(95,708)	(127,808)

(b) Non-cash financing activities

Income distributions that were reinvested by unitholders during the year for additional units in the Schemes are set out below:

	Dimensional World Allocation 70/30 Trust		Dimensional World Allocation 50/50 Trust		Dimensional World Equity Trust	
	Year Ended		Year Ended		Year Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions reinvested	4,410	1,873	809	169	1,040	1,055

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

9. Related party transactions

(a) Responsible Entity and Investment Manager

The Responsible Entity of the Schemes is DFA Australia Limited (ABN 46 065 937 671). DFA Australia Limited is a wholly owned subsidiary of Dimensional Fund Advisors LP (incorporated in the United States of America).

DFA Australia Limited also acts as the investment manager of the Schemes.

(b) Key management personnel

The names of each person considered to be key management personnel of the Responsible Entity at any time during the financial year were:

B.P. Singh	J.G. Crane	N.A.D. Stewart
C.L. Newell	S.A. Clark	D.P. Butler G.K. O'Reilly

(c) Key management personnel compensation

No payments were made from the Schemes directly to the key management personnel of the Responsible Entity. Key management personnel are paid by the Responsible Entity.

(d) Related party unitholdings

Related party unitholdings include units held by individuals and entities associated with key management personnel, DFA Australia Limited and other Dimensional Trusts, are presented below:

	Market Value		Holding		Acquired		Disposed		Distribution paid and payable		Number of Units Held	
	2020 \$	2019 \$	2020 %	2019 %	2020 Units	2019 Units	2020 Units	2019 Units	2020 \$	2019 \$	2020 Units	2019 Units
Dimensional World Allocation 70/30 Trust	-	-	-	-	-	-	-	-	-	-	-	-
Dimensional World Allocation 50/50 Trust	-	-	-	-	-	100	-	(11,564)	-	-	-	-
Dimensional World Equity Trust	339,980	345,017	0.09	0.11	2,003	1,615	(221)	(5,594)	7,024	7,401	22,396	20,614

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

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

9. Related party transactions (continued)

(e) Transactions with related parties

Under the terms of the Schemes' Constitutions, the Responsible Entity is entitled to a management fee of up to 1% per annum (2019: 1% per annum) of the net asset value of the Schemes. The Responsible Entity has however agreed to be paid management fees as set out below and as disclosed in the current Product Disclosure Statements.

Fees are accrued daily and payable on a monthly basis. Management fees are separately disclosed in the Statements of Comprehensive Income.

Scheme Name	Management Fees ¹ 30 June 2020 %	Management Fees ¹ 30 June 2019 %
Dimensional World Allocation 70/30 Trust	0.405	0.430
Dimensional World Allocation 50/50 Trust	0.395	0.410
Dimensional World Equity Trust	0.420	0.465

1. Rates are inclusive of GST.

Effective 2 March 2020, the Responsibility Entity has reduced the management fees for Dimensional World Allocation 70/30 Trust, Dimensional World Allocation 50/50 Trust and Dimensional World Equity Trust.

The Responsible Entity has the right to increase management fees up to the limit set out in the Schemes' Constitutions, and to remove or vary the management fees.

The management fees paid/payable for the year end between the Schemes and the Responsible Entity are presented below:

	Dimensional World Allocation 70/30 Trust		Dimensional World Allocation 50/50 Trust		Dimensional World Equity Trust	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$
Management fees for the year earned by the Responsible Entity	474,667	370,355	305,211	198,317	300,214	204,888
Aggregate amounts payable to the Responsible Entity at the end of the reporting period	42,901	37,272	29,631	20,697	23,715	21,578

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

9. Related party transactions (*continued*)

(f) Investments in related parties

The Schemes achieve their investments objectives wholly through investing in funds managed by the Responsible Entity. A portion of the portfolio may be allocated to cash for liquidity purposes.

The fair value of investments in funds managed by the Responsible Entity are included in the Statements of Financial Position, distributions received/receivable are included in the Statements of Comprehensive Income and related party purchases and sales are disclosed in the Statements of Cash Flows.

10. Financial risk management

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability, are disclosed in Note 2 to the Financial Statements.

(b) Financial risk management objectives

The Schemes are exposed to a variety of financial risks as a result of their activities. These risks include market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Schemes' risk management and investment policies, approved by the Responsible Entity, seek to minimise the potential adverse effects of these risks on the Schemes' financial performance. These policies may include the use of certain financial derivative instruments.

The Responsible Entity manages the financial risks relating to the operations of the Schemes in accordance with the Schemes' Constitutions and Product Disclosure Statements.

The Schemes do not enter into or trade derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Schemes' investment policies, which provide written principles on the use of financial derivatives. These principles permit the use of derivatives to change the Schemes' exposure to particular assets. Derivatives are not used to gear the Schemes and the Schemes' effective market exposure will not exceed their market value. Compliance with policies and exposure limits is reviewed by the Responsible Entity regularly.

(c) Capital risk management

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

The Responsible Entity manages cash levels to ensure there are sufficient cash funds to meet unitholder redemptions.

The Schemes have no restrictions or specific capital requirements on the application and redemption of units. The Schemes' overall investment strategy remains unchanged from the prior year.

(d) Market risk

Market risk is the risk that the value of the Schemes' investment portfolio will fluctuate due to changes in market prices. This risk is managed by ensuring that all activities are transacted in accordance with mandates, overall investment strategies and within approved limits. Market risk analysis is conducted regularly on a total portfolio basis, which includes the effect of derivatives.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (*continued*)

(d) Market risk (*continued*)

Derivative financial instruments

In the normal course of business, the Schemes may enter into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract that is settled at a future date, the value of which changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Schemes' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- > hedging to protect an asset or liability of the Schemes against a fluctuation in market values or to reduce volatility;
- > a substitution for trading of physical securities; and
- > adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

Derivatives are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeded the underlying value of the Schemes.

The Schemes currently do not hold any derivative instruments.

Foreign exchange risk

A scheme that invests in financial denominated currencies other than the Australian dollar is exposed to foreign exchange risk. Foreign exchange risk arises as the income and value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Schemes have no direct exposure to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that a financial asset's value will fluctuate as a result of changes in market interest rates. Interest rate risk is managed as part of the overall investment strategy of the Schemes.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (*continued*)

(d) Market risk (*continued*)

Interest rate risk (*continued*)

The following tables detail the Schemes' exposure to interest rate risk as at 30 June 2020 and 30 June 2019.

	Dimensional World Allocation 70/30 Trust		
	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30 June 2020			
Assets			
Cash and cash equivalents	2,281	–	2,281
Receivables	–	16,355	16,355
Financial assets at fair value through profit or loss	–	859,609	859,609
Total assets	2,281	875,964	878,245
Liabilities			
Payables	–	(449)	(449)
Distributions payable	–	(13,838)	(13,838)
Total liabilities	–	(14,287)	(14,287)
Net assets	2,281	861,677	863,958

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (continued)

(d) Market risk (continued)

Interest rate risk (continued)

	Dimensional World Allocation 70/30 Trust		
	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30 June 2019			
Assets			
Cash and cash equivalents	1,537	–	1,537
Receivables	–	26,709	26,709
Financial assets at fair value through profit or loss	–	687,664	687,664
Total assets	1,537	714,373	715,910
Liabilities			
Payables	–	(1,957)	(1,957)
Distributions payable	–	(19,831)	(19,831)
Total liabilities	–	(21,788)	(21,788)
Net assets	1,537	692,585	694,122

	Change in variable		Effect on profit/net assets attributable to unitholders	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	+/-%	+/-%	\$'000	\$'000
Interest rate risk	1.00	1.00	23	15

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (*continued*)

(d) Market risk (*continued*)

Interest rate risk (*continued*)

30 June 2020	Dimensional World Allocation 50/50 Trust		
	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Assets			
Cash and cash equivalents	1,084	–	1,084
Receivables	–	9,584	9,584
Financial assets at fair value through profit or loss	–	506,717	506,717
Total assets	1,084	516,301	517,385
Liabilities			
Payables	–	(183)	(183)
Distributions payable	–	(7,381)	(7,381)
Total liabilities	–	(7,564)	(7,564)
Net assets	1,084	508,737	509,821

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (continued)

(d) Market risk (continued)

Interest rate risk (continued)

	Dimensional World Allocation 50/50 Trust		
	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30 June 2019			
Assets			
Cash and cash equivalents	970	–	970
Receivables	–	16,588	16,588
Financial assets at fair value through profit or loss	–	371,971	371,971
Total assets	970	388,559	389,529
Liabilities			
Payables	–	(671)	(671)
Distributions payable	–	(11,488)	(11,488)
Total liabilities	–	(12,159)	(12,159)
Net assets	970	376,400	377,370

	Change in variable		Effect on profit/net assets attributable to unitholders	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	+/- %	+/- %	\$'000	\$'000
Interest rate risk	1.00	1.00	11	10

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (*continued*)

(d) Market risk (*continued*)

Interest rate risk (*continued*)

30 June 2020	Dimensional World Equity Trust		
	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Assets			
Cash and cash equivalents	1,476	–	1,476
Receivables	–	2,449	2,449
Financial assets at fair value through profit or loss	–	388,764	388,764
Total assets	1,476	391,213	392,689
Liabilities			
Payables	–	(1,010)	(1,010)
Distributions payable	–	(3,199)	(3,199)
Total liabilities	–	(4,209)	(4,209)
Net assets	1,476	387,004	388,480

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (continued)

(d) Market risk (continued)

Interest rate risk (continued)

	Dimensional World Equity Trust		
	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30 June 2019			
Assets			
Cash and cash equivalents	804	–	804
Receivables	–	5,457	5,457
Financial assets at fair value through profit or loss	–	319,998	319,998
Total assets	804	325,455	326,259
Liabilities			
Payables	–	(578)	(578)
Distributions payable	–	(3,600)	(3,600)
Total liabilities	–	(4,178)	(4,178)
Net assets	804	321,277	322,081

	Change in variable		Effect on profit/net assets attributable to unitholders	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	+/-%	+/-%	\$'000	\$'000
Interest rate risk	1.00	1.00	15	8

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (continued)

(d) Market risk (continued)

Price risk

Price risk is the risk that the total value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Schemes have investments in equity securities, unit trusts and equity derivatives which expose them to price risk. The Responsible Entity manages the Schemes' market risk on a daily basis in accordance with the Schemes' investment objectives and policies.

As the majority of the Schemes' financial instruments are carried at fair value with changes in fair value recognised in the Statements of Comprehensive Income, all changes in market conditions will directly affect investment income.

The following table details the effect on profit attributable to unitholders and net assets attributable to unitholders from possible changes in other market risk that were reasonably possible based on the risk the Schemes were exposed to at the reporting date:

	Dimensional World Allocation 70/30 Trust				Dimensional World Allocation 50/50 Trust			
	Change in variable		Effect on profit attributable to unitholders		Change in variable		Effect on profit attributable to unitholders	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	+/-%	+/-%	\$'000	\$'000	+/-%	+/-%	\$'000	\$'000
Equity price risk								
Australia	10.00	10.00	85,961	68,766	10.00	10.00	50,672	37,197

	Dimensional World Equity Trust			
	Change in variable		Effect on profit attributable to unitholders	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	+/-%	+/-%	\$'000	\$'000
Equity price risk				
Australia	10.00	10.00	38,876	32,000

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (*continued*)

(e) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Schemes.

The Schemes have adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, and ensuring that the majority of transactions are undertaken on recognised markets as a means of mitigating the risk of financial loss from default. The Schemes measure credit risk on a fair value basis.

The Schemes are also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables.

The Schemes have no significant credit risk exposure to any single counterparty or counterparties having similar characteristics.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations. The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA or higher. The exposure to credit risk in relation to other financial assets, such as equity securities and exchange traded derivatives, is reflected in the price of the assets and, therefore, subject to price risk.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired as at 30 June 2020. Refer to Summary of Significant Accounting Policies Note 2(b)(iv).

(f) Liquidity and cash flow risk

Liquidity risk is the risk that the Schemes will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. This risk is controlled through the Schemes' investments in financial instruments which under normal market conditions are readily convertible to cash. In addition, the Schemes maintain cash and cash equivalents to meet normal operating requirements.

Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate.

The risk management guidelines adopted are designed to minimise liquidity and cash flow risk through:

- > ensuring there is no significant exposure to illiquid or thinly traded financial instruments; and
- > applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (continued)

(f) Liquidity and cash flow risk (continued)

(i) Maturity analysis of financial liabilities

The following tables analyse the Schemes' non-derivative financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. Units are redeemed on demand at the unitholder's option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the tables below will be representative of the actual cash flows, as holders of these instruments typically retain them for the medium to long term.

	Dimensional World Allocation 70/30 Trust			
	Due on demand	Due within 3 months	Due after 3 months	Total
30 June 2020	\$'000	\$'000	\$'000	\$'000
Payables	–	449	–	449
Distributions payable	–	13,838	–	13,838
Net assets attributable to unitholders	863,958	–	–	863,958
Contractual cash flows (excluding derivatives)	863,958	14,287	–	878,245

	Dimensional World Allocation 70/30 Trust			
	Due on demand	Due within 3 months	Due after 3 months	Total
30 June 2019	\$'000	\$'000	\$'000	\$'000
Payables	–	1,957	–	1,957
Distributions payable	–	19,831	–	19,831
Net assets attributable to unitholders	694,122	–	–	694,122
Contractual cash flows (excluding derivatives)	694,122	21,788	–	715,910

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (*continued*)

(f) Liquidity and cash flow risk (*continued*)

(i) Maturity analysis of financial liabilities (*continued*)

	Dimensional World Allocation 50/50 Trust			
	Due on demand \$'000	Due within 3 months \$'000	Due after 3 months \$'000	Total \$'000
30 June 2020				
Payables	–	183	–	183
Distributions payable	–	7,381	–	7,381
Net assets attributable to unitholders	509,821	–	–	509,821
Contractual cash flows (excluding derivatives)	509,821	7,564	–	517,385

	Dimensional World Allocation 50/50 Trust			
	Due on demand \$'000	Due within 3 months \$'000	Due after 3 months \$'000	Total \$'000
30 June 2019				
Payables	–	671	–	671
Distributions payable	–	11,488	–	11,488
Net assets attributable to unitholders	377,370	–	–	377,370
Contractual cash flows (excluding derivatives)	377,370	12,159	–	389,529

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (*continued*)

(f) Liquidity and cash flow risk (*continued*)

(i) Maturity analysis of financial liabilities (*continued*)

30 June 2020	Dimensional World Equity Trust			
	Due on demand \$'000	Due within 3 months \$'000	Due after 3 months \$'000	Total \$'000
Payables	–	1,010	–	1,010
Distributions payable	–	3,199	–	3,199
Net assets attributable to unitholders	388,480	–	–	388,480
Contractual cash flows (excluding derivatives)	388,480	4,209	–	392,689

30 June 2019	Dimensional World Equity Trust			
	Due on demand \$'000	Due within 3 months \$'000	Due after 3 months \$'000	Total \$'000
Payables	–	578	–	578
Distributions payable	–	3,600	–	3,600
Net assets attributable to unitholders	322,081	–	–	322,081
Contractual cash flows (excluding derivatives)	322,081	4,178	–	326,259

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (*continued*)

(g) Net fair value

The carrying amount of financial assets and financial liabilities recorded in the Financial Statements represents their respective net fair values, determined in accordance with Note 2 to the Financial Statements.

The Schemes have no significant holdings of investments that are not readily traded on original markets in standardised form or for which prices are not publicly available.

(h) Fair value measurement

The Schemes measure and recognise the following assets and liabilities at fair value on a recurring basis:

- > Financial assets/liabilities at fair value through profit or loss.

The Schemes have no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) 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); and
- (c) inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(i) Fair value in an active market (Level 1)

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

The Schemes value their investments in accordance with the accounting policies set out in Note 2 to the Financial Statements. For the majority of their investments, the Schemes rely on information provided by independent pricing services for the valuation of their investments.

The quoted market price used for financial assets and financial liabilities held by the Schemes is last price. When the Schemes hold derivatives with offsetting market risks, they use last market prices as a basis for establishing fair values for the offsetting risk positions and the net open position.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

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

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (continued)

(h) Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3) (continued)

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

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Schemes hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The following tables present the Schemes' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2020 and 30 June 2019.

	Dimensional World Allocation 70/30 Trust			
	Level 1	Level 2	Level 3	Total
30 June 2020	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Units in Australian unlisted unit trusts	-	859,609	-	859,609
Total	-	859,609	-	859,609

	Dimensional World Allocation 50/50 Trust			
	Level 1	Level 2	Level 3	Total
30 June 2020	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Units in Australian unlisted unit trusts	-	506,717	-	506,717
Total	-	506,717	-	506,717

	Dimensional World Equity Trust			
	Level 1	Level 2	Level 3	Total
30 June 2020	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Units in Australian unlisted unit trusts	-	388,764	-	388,764
Total	-	388,764	-	388,764

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (*continued*)

(h) Fair value measurement (*continued*)

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3) (*continued*)

	Dimensional World Allocation 70/30 Trust			
	Level 1	Level 2	Level 3	Total
30 June 2019	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Units in Australian unlisted unit trusts	–	687,664	–	687,664
Total	–	687,664	–	687,664

	Dimensional World Allocation 50/50 Trust			
	Level 1	Level 2	Level 3	Total
30 June 2019	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Units in Australian unlisted unit trusts	–	371,971	–	371,971
Total	–	371,971	–	371,971

	Dimensional World Equity Trust			
	Level 1	Level 2	Level 3	Total
30 June 2019	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
Units in Australian unlisted unit trusts	–	319,998	–	319,998
Total	–	319,998	–	319,998

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include warrants and active unlisted unit trusts. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuation may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include certain unlisted shares and daily priced unlisted unit trusts with suspended applications and withdrawals. As observable prices are not available for these securities, the Responsible Entity has used valuation techniques to derive fair value.

DIMENSIONAL TRUSTS

Notes to the Financial Statements for the year ended 30 June 2020

10. Financial risk management (*continued*)

(h) Fair value measurement (*continued*)

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3) (*continued*)

The Schemes did not hold any Level 3 securities for the year ended 30 June 2020 (30 June 2019: Nil). The Schemes have no assets or liabilities measured at fair value on a non recurring basis in the current year.

(iii) Transfers between levels

There have been no transfers between Level 1 and 2 for the year ended 30 June 2020 (30 June 2019: Nil).

(iv) Fair value of other assets / liabilities

The carrying value of receivables and payables are assumed to approximate their fair values.

11. Structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. The nature and extent of the Schemes' interests in structured entities are summarised in Note 3 'Financial assets held at fair value through profit or loss' and Note 9 'Related party transactions' where appropriate. The total size of the structured entities that the Schemes have exposure to is their net assets, which is determined based on the percentage interest held and carrying value disclosed in Note 9 'Related party transactions'.

The Schemes have exposures to unconsolidated structured entities through their trading activities. These Schemes typically have no other involvement with the structured entity other than the securities they hold as part of trading activities and their maximum exposure to loss is restricted to the carrying value of the asset. Exposures to trading assets are managed in accordance with financial risk management practices as set out in Note 10.

12. Contingent assets and liabilities and commitments

The Schemes did not have any contingent assets, liabilities or commitments as at 30 June 2020 and (30 June 2019: Nil)

13. Subsequent events

The effects of COVID-19 have adversely affected the global economy, the economies of certain nations and individual issuers, all of which have affected global financial markets and may potentially impact the Schemes' performance. Given the inherent uncertainties, it is not practicable at this time to determine what impact COVID-19 will have on the Schemes or to provide a quantitative estimate of any future impact.

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Schemes disclosed in the Statements of Financial Position as at 30 June 2020 or on the results and cash flows of the Schemes for the year ended on that date.

DIMENSIONAL TRUSTS

Directors' Declaration for the year ended 30 June 2020

The Financial Statements and notes thereto of the following Schemes have been prepared by DFA Australia Limited (the Responsible Entity) in accordance with the *Corporations Act 2001*:

Dimensional World Allocation 70/30 Trust

Dimensional World Allocation 50/50 Trust

Dimensional World Equity Trust

In the opinion of the Directors of the Responsible Entity:

(a) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and

(b) the attached Financial Statements and notes thereto of the Schemes are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Schemes' financial positions as at 30 June 2020 and of their performances for the financial year ended on that date.

(c) the Financial Statements also comply with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 2.

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

On behalf of the Directors,



J.G. Crane

Director

Sydney, 11 September 2020



B.P. Singh

Director

DIMENSIONAL TRUSTS

Independent Auditor's Report to the Unitholders of Dimensional Trusts



Independent auditor's report

To the unitholders of Dimensional World Allocation 70/30 Trust, Dimensional World Allocation 50/50 Trust and Dimensional World Equity Trust

Our opinion

In our opinion:

The accompanying financial report of Dimensional World Allocation 70/30 Trust, Dimensional World Allocation 50/50 Trust and Dimensional World Equity Trust (the Registered Schemes) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Registered Schemes' financial positions as at 30 June 2020 and of their financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statements of financial position as at 30 June 2020
- the statements of comprehensive income for the year then ended
- the statements of changes in equity for the year then ended
- the statements of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We 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 Registered Schemes in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

DIMENSIONAL TRUSTS

Independent Auditor's Report to the Unitholders of Dimensional Trusts



Other information

The directors of DFA Australia Limited (the “Responsible Entity”) are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Registered Schemes to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intends to liquidate the Registered Schemes or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

DIMENSIONAL TRUSTS

Independent Auditor's Report to the Unitholders of Dimensional Trusts



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'A S Wood'.

A S Wood
Partner

Sydney
11 September 2020

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