

**Everest Alternative Investment Trust**

ARSN 134 483 319

Final report for the period 1 January 2020 to 24 June 2020

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## Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the responsible entity of Everest Alternative Investment Trust (ARSN 134 483 319) ("EAIT" or the "Trust"), submit their report for the Trust for the period 1 January 2020 to 24 June 2020.

### Information about the Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

### Responsible Entity

The responsible entity of the Trust is OMIFL. The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

### Principal Activities

The Trust is a registered managed investment scheme, domiciled in Australia.

On 11 February 2011, OMIFL decided to terminate the Trust pursuant to the terms of the Trust's Constitution. Investors were notified of this on 23 February 2011. Following the decision made by the Responsible Entity, the Trust has realised the Trust assets in an orderly manner.

The Trust did not have any employees during the period.

### Review of Operations

#### Results

The results of the operations of the Trust are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of these financial statements. The profit attributable to unitholders for the period 1 January 2020 to 24 June 2020 was \$10,475 (2019: \$972,613 loss).

#### Distributions

In respect of the period 1 January 2020 to 24 June 2020, a distribution of \$nil (2019: \$nil) was paid to unitholders.

#### Return of Capital

In respect of the period 1 January 2020 to 24 June 2020, returns of capital totaling \$647,212 (2019: \$nil) were paid to unitholders.

#### Value of Assets and Units Issued

The total value of the Trust's assets at 24 June 2020 is \$nil (2019: \$743,752). The total number of units on issue as at 24 June 2020 is nil (2019: 37,364,860).

## Directors' Report (continued)

### *Fees Paid and Payable to the Responsible Entity and Associates*

The following fees were paid or payable to the Responsible Entity and its associates out of the Trust's property during the year ended 24 June 2020:

Management fees for the period ended 24 June 2020 were \$2,009 (2019: \$17,163) of which \$nil (2019: \$7,169) was payable at year end.

### *Changes in State of Affairs*

During the financial period the following change occurred in the state of affairs of the Trust.

The Responsible Entity completed the wind up on 24 June 2020.

Aside from the above, there were no other significant changes in the state of affairs of the Trust.

### *Subsequent Events*

There are no subsequent events as the Trust was wound up effect 24 June 2020.

### *Likely Developments and Expected Results of Operations*

The Trust was wound up on 24 June 2020.

### *Environmental Regulation and Performance*

The operations of the Trust are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Trust.

### *Indemnification of Directors, Officers and Auditors*

During the period, the Responsible Entity paid a premium in respect of a contract insuring the directors of OMIFL against a liability incurred as a director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability as such an officer or auditor.

### *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 3.

Signed in accordance with a resolution of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle  
Director  
7 July 2020

7 July 2020

The Directors  
One Managed Investment Funds Limited  
As the Responsible Entity of Everest Alternative Investment Trust  
Level 16, Governor Macquarie Tower,  
1 Farrer Place  
SYDNEY NSW 2000

Dear Directors

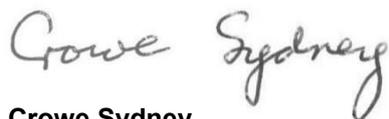
## Everest Alternative Investment Trust

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of One Managed Investment Funds Limited.

As lead audit partner for the audit of the financial report of Everest Alternative Investment Trust for the period 1 January 2020 to 24 June 2020, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

1. the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. any applicable code of professional conduct in relation to the audit.

Yours sincerely



**Crowe Sydney**



**John Haydon**  
Senior Partner

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

# Independent Auditor's Report to the Unitholders of Everest Alternative Investment Trust

## Opinion

We have audited the financial report of Everest Alternative Investment Trust (the Trust), which comprises the statement of financial position as at 24 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period 1 January 2020 to 24 June 2020, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Trust's financial position as at 24 June 2020 and of its financial performance for the period 1 January 2020 to 24 June 2020; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

## 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 are independent of the Trust 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* (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.

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

## Responsibilities of the Responsible Entity for the Financial Report

The directors of One Managed Investment Funds Limited as 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 determine 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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

In preparing the financial report, the directors are responsible for assessing the ability of the Trust 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 either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so. The Fund has been wound up effective 24 June 2020.

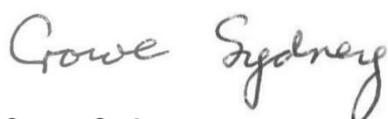
## Auditor's Responsibilities for the Audit of the Financial Report

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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 our 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.



**Crowe Sydney**



**John Haydon**  
Senior Partner

7 July 2020  
Sydney

## Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- a) The financial statements and notes set out on pages 11 to 25 are in accordance with the *Corporations Act 2001*, including:
  - compliance with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - giving a true and fair view of the Fund's financial position as at 24 June 2020 and its performance for the financial period ended on that date.
- b) The financial statements are in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board, as noted in note 3(a).

Signed in accordance with a resolution of the directors of the Responsible Entity.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle  
Director  
7 July 2020

**Statement of Profit or Loss and Other Comprehensive Income for the period 1 January 2020 to 24 June 2020**

	Period 1 January 2020 to 24 June 2020	Year ended 31 December 2019
Note	\$	\$
<b>Income</b>		
Change in value of financial assets held at fair value through profit or loss	-	(716,323)
Interest income	1,616	5,796
Total loss	<u>1,616</u>	<u>(710,527)</u>
<b>Expenses</b>		
Management fees	5 2,009	17,163
Administration fees	14,777	77,900
Professional fees	(1,538)	48,053
Other expenses	(24,107)	118,970
Total expenses	<u>(8,859)</u>	<u>262,086</u>
<b>Net profit/(loss) attributable to unitholders</b>	<b>10,475</b>	<b>(972,613)</b>
<b>Finance costs attributable to unitholders</b>		
(Increase)/decrease in net assets attributable to unitholders	<u>(10,475)</u>	<u>972,613</u>
<b>Profit/(loss) for the period</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>-</u>

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

Statement of Financial Position as at 24 June 2020

	Note	24 June 2020 \$	31 December 2019 \$
<b>Assets</b>			
Cash and cash equivalents	10 (a)	-	613,976
Financial assets at fair value through profit or loss	4	-	-
Other assets		-	129,776
<b>Total assets</b>		-	<b>743,752</b>
<b>Liabilities</b>			
Management fees payable	5	-	7,169
Administrative fees payable		-	7,929
Professional fees payable		-	26,950
Other payables		-	64,967
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		-	<b>107,015</b>
<b>Net assets attributable to unitholders</b>		-	<b>636,737</b>

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

Statement of Changes in Equity for the period 1 January 2020 to 24 June 2020

	Period 1 January 2020 to 24 June 2020	Year ended 31 December 2019
	\$	\$
Total equity at the beginning of the period	-	-
Profit/(loss) for the period	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>
Transactions with owners in their capacity as equity holders	-	-
<b>Total equity at the end of the financial period</b>	<b>-</b>	<b>-</b>

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial period.

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

## Statement of Cash Flows for the period 1 January 2020 to 24 June 2020

		Period 1 January 2020 to 24 June 2020	Year ended 31 December 2019
	Note	\$	\$
<b>Cash flows from operating activities</b>			
Interest received		1,850	6,124
Management fees paid		(9,178)	(16,058)
Administration fees paid		(22,706)	(77,900)
Net proceeds from sale of financial assets held at fair value through profit or loss		118,817	398,586
Other receipts		14,566	-
Other expenses paid		(70,113)	(149,266)
Net cash generated from operating activities	10 (b)	33,236	161,486
<b>Cash flows from financing activities</b>			
Returns of capital		(647,212)	-
Net cash used in financing activities		(647,212)	-
Net increase in cash and cash equivalents		(613,976)	161,486
Cash and cash equivalents at the beginning of the period/ year		613,976	452,490
<b>Cash and cash equivalents at the end of the period/year</b>	10 (a)	-	<b>613,976</b>

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

## Notes to the Financial Statements

### 1. General Information

Everest Alternative Investment Trust (ARSN 134 483 319) ("EAIT" or the "Trust") is an unlisted registered managed investment scheme. The address of its registered office and principal place of business is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000. The responsible entity of the Trust is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"). The principal activity of the Trust is disclosed in the Directors' Report.

On 11 February 2011, OMIFL decided to terminate the operations of the Trust. Investors were notified of this on 23 February 2011. The Trust was wound up effective 24 June 2020.

### 2. Adoption of New and Revised Accounting Standards

#### *New or amended Accounting Standard and Interpretations adopted in the current period*

The Fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

#### *New standards and interpretations not yet adopted*

There are no new standards or interpretations applicable that would have a material impact for the Fund.

### 3. Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

#### *a) Statement of compliance*

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations as they apply to a trust which is no longer a going concern, and comply with other requirements of the law.

Compliance with Australian Accounting Standards, as issued by the Australian Accounting Standards Board ("AASB") ensures that the financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorised for issue by the directors of the Responsible Entity on 7 July 2020.

#### *b) Basis of preparation*

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unitholders. The amounts expected to be received or settled in relation to these balances cannot be readily determined.

All amounts are presented in Australian dollars as the functional and presentation currency of the Trust.

## Notes to the Financial Statements

### 3. Significant Accounting Policies (continued)

#### c) Non-going concern basis

The Trust has been wound up on 24 June 2020. As such, this financial report has been prepared on a non-going concern basis.

#### d) Revenue and income recognition

##### Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured.

##### Distributions

Distributions from investments are recognised when the right to receive the payment is established.

##### Interest income

Interest income is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

#### e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash balances held with brokers and cash held in the One Cash Management Fund ("OCMF"), a fund managed by a related party of OMIFL, which is redeemable on a daily basis.

#### f) Investments in financial instruments

Investments in financial instruments, as defined by AASB 132 'Financial Instruments: Presentation', are categorised in accordance with AASB 9 'Financial Instruments'. This classification is determined by the purpose underpinning the acquisition of the investment. The classification of each financial instrument is re-evaluated at each financial year end.

##### Held at fair value through profit or loss

Investments of the Trust that have been held at fair value through profit or loss include securities that are held for trading but for which there is no positive intention to hold to maturity. All investments are initially recognised at fair value of the consideration paid excluding transaction costs. After initial recognition, the financial assets that are held at fair value through profit or loss are re-valued to fair value at each reporting date.

The Trust carried its investments in other funds at fair value based on financial data supplied by the managers of the funds invested in. Changes in the fair value of the investment are included in the Statement of Profit or Loss and Other Comprehensive Income as an unrealised appreciation or depreciation on fund investments.

The investments were held by the Trust have been held at fair value through profit or loss as doing so results in more relevant information. These investments were part of a full group of financial assets which were managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Trust.

**Notes to the Financial Statements****3. Significant Accounting Policies (continued)****g) Taxation**

Under the current tax legislation, the Trust is not subject to income tax provided that the unitholders are presently entitled to the income of the Trust and that the Trust entirely distributes its taxable income.

There is no income of the Trust to which the unitholders are not currently entitled. Additionally, the Trust's Constitution requires the distribution of the full amount of the net income of the Trust to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that the taxable gains are realised by the Trust, these gains would be included in the taxable income and assessable in the hands of the unitholders.

**h) Distributions**

In accordance with the Trust's Constitution, the Trust distributes all distributable income to unitholders.

Distributable income includes capital gains arising from the disposal of investments and foreign exchange gains. Unrealised gains or losses on investments that are recognised in the Statement of Profit or Loss and Other Comprehensive Income are not distributed until realised. Capital losses are not distributed to unitholders and are retained to be offset against future realised capital gains.

**i) Foreign currency transactions**

The functional and presentation currency for the Trust is Australian Dollars. Transactions in foreign currencies are brought to account at the prevailing exchange rates at the date of the transaction. Foreign currency monetary items are translated at the exchange rate existing on reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

The differences arising from these foreign currency translations are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

**j) Goods and services tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the tax authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**k) Payables**

Trade and other payables are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services. These amounts represent liabilities for goods and services provided to the Trust prior to the end of the financial year. The amounts are carried at cost, are unsecured and are usually paid within 30 days of recognition.

**l) Net assets attributable to unitholders**

Each unit issued confers upon the unitholder an equal interest in the Trust, and is of equal value. A unit does not confer any interest in any particular asset or investment in the Trust.

Contributions from unitholders and the net profit/(loss) attributable to unitholders of the Trust are recognised in the Statement of Financial Position as net assets attributable to unitholders.

Amounts payable to unitholders are classified as a financial liability. Non-distributable income is included in net assets attributable to unitholders. The change in this amount each year represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

## Notes to the Financial Statements

**3. Significant Accounting Policies (continued)*****m) Applications and redemptions***

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

The application and redemption unit price is determined as the net asset value of the Trust, adjusted for any estimated transaction costs, divided by the number of units on issue at the date of the application or redemption. The Responsible Entity may, in its absolute discretion, accept redemptions outside the terms of the Product Disclosure Statement. The fulfilment of any redemption request is subject to the then liquidity of the investment portfolio and the underlying investment managers' redemption terms.

***n) Critical accounting judgements and key sources of estimation uncertainty***

Management has adhered to the Trust's unit pricing policy which sets out the basis upon which the units of the Trust have been valued, a copy of which is available upon request. In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the determination of the value of investments are outlined in notes 3 c) and 3 f) of these financial statements.

***o) Redeemable participating units***

The participating units issued by the Trust provide the unitholders with the right to redeem their units for cash equal to their proportionate share of the net asset value of the Trust. AASB 32 permits certain puttable instruments that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity on liquidation to be classified as equity, subject to specified criteria being met. The Trust's redeemable participating units do not meet the specified criteria and have been consequently classified as liabilities. The liability to participating unitholders is presented on the Statement of Financial Position as "Net assets attributable to unitholders" and is determined based on the residual assets of the Trust after deducting the Trust's other liabilities.

**4. Investments in Financial Instruments**

	24 June 2020	31 December 2019
	\$	\$
<b>Fair value of financial assets held at fair value through profit or loss</b>		
Investments in funds	-	-
Investments in unlisted unit trusts	-	-
	-	-

**Notes to the Financial Statements**

**4. Investment in Financial Instruments (continued)**

**Trust Investments**

The Trust had direct exposure to the absolute return funds. The fair value of these assets was based on the net asset value information received from the underlying fund's administrator, and, where appropriate, estimated performance data from the underlying fund's manager. These fair values were reconciled monthly by the Trust's third party administrator and any changes in fair value reviewed for reasonableness by the Investment Manager.

**Disclosed Fair Values**

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

***Fair Value Hierarchy***

Financial instruments carried at fair value are categorised under a three level hierarchy. Financial instruments are categorised based on the observable market inputs when estimating their fair value. If different levels of inputs are used to measure a financial instrument's fair value, the instrument's classification within the hierarchy is based on the lowest level of input that was significant to the fair value measurement.

The underlying investment portfolio is classified under level 3 in the fair value hierarchy table as valuations are based on net asset values of the absolute return funds which have underlying level 3 investments. The investments in funds and unlisted unit trusts are also classified under level 3 as valuations are based on the net asset values of those funds and unit trusts.

## Notes to the Financial Statements

## 4. Investment in Financial Instruments (continued)

*Fair Value Hierarchy (continued)*

The following table shows an analysis of financial instruments held at 24 June 2020 and 31 December 2019 respectively, recorded at fair value and presented by level of the fair value hierarchy:

	24 June 2020			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Financial assets</b>				
Investments in funds	-	-	-	-
Investments in unlisted unit trusts	-	-	-	-
<b>Total financial assets held at fair value through profit or loss</b>	-	-	-	-

	31 December 2019			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Financial assets</b>				
Investments in funds	-	-	-	-
Investments in unlisted unit trusts	-	-	-	-
<b>Total financial assets held at fair value through profit or loss</b>	-	-	-	-

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the period. The Trust's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Valuation techniques used to derive level 1, level 2 and level 3 fair values****Level 1**

The fair value of financial instruments that are traded in an active market (for example, listed equities) is determined using the last traded quoted price in an active market. As at 24 June 2020 the Trust had \$ nil (2019: \$ nil) financial assets held at fair value through profit or loss included in level 1.

**Level 2**

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 24 June 2020 the Trust had \$ nil (2019: \$ nil) financial instruments in level 2.

**Level 3**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. As at 24 June 2020 the Trust had \$ nil (2019: \$ nil) financial assets held at fair value through profit or loss included in level 3. The Trust also had \$ nil (2019: \$ nil) financial liabilities held at fair value through profit or loss as at 24 June 2020. The instruments are valued by using the latest available statements received from the underlying investment administrators and managers, which is based on the 'net asset value' of each investment.

**Notes to the Financial Statements**

**4. Investment in Financial Instruments (continued)**

Valuation techniques used to derive level 1, level 2 and level 3 fair values (continued)

**Reconciliation of level 3 fair values**

Financial assets measured on a recurring basis using significant unobservable inputs (Level 3) are shown below:

	Period 1 January 2020 to 24 June 2020 \$	Year ended 31 December 2019 \$
Opening balance	-	1,184,918
Change in value of financial assets held at fair value through profit or loss	-	(716,323)
Net sales	-	(468,595)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**Disclosed fair values**

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

**5. Management and Performance Fees**

The Responsible Entity of the Trust is OMIFL. In accordance with the Trust's Constitution, the Responsible Entity receives a total fee of 1.25% per annum on the Trust's assets (exclusive of GST), net of tax credits available to the Trust.

The following table shows the management fees paid and payable to the Responsible Entity for the period ended 24 June 2020 and 31 December 2019.

	Period 1 January 2020 to 24 June 2020 \$	Year ended 31 December 2019 \$
<b>Management fee expense for the period/year to the:</b>		
Responsible Entity	2,009	17,163
<b>Total management fee expense for the period/year</b>	<b>2,009</b>	<b>17,163</b>
<b>Management fees payable at Statement of Financial Position date to the:</b>		
Responsible Entity	-	7,169
<b>Total management fees payable as at Statement of Financial Position date</b>	<b>-</b>	<b>7,169</b>

No performance fees were paid during the period 1 January 2020 to 24 June 2020 (2019: \$nil).

**Notes to the Financial Statements**

**6. Distribution Payable to Unitholders**

In accordance with the Trust's Constitution, the Trust fully distributes its distributable income to unit holders in cash. Such distributions are determined by reference to the net taxable income of the Trust. The distribution paid during the period ended 24 June 2020 was \$nil (2019: \$nil).

**7. Net Assets Attributable to Unitholders**

**Period 1 January 2020 to 24 June 2020**

	<b>No. of Units</b>	<b>\$</b>
Opening balance as at 1 January 2020	37,364,860	636,737
Returns of capital	(37,364,860)	(647,212)
Net loss attributable to unitholders		10,475
<b>Closing balance as at 24 June 2020</b>	<b>-</b>	<b>-</b>

**Year ended 31 December 2019**

	<b>No. of Units</b>	<b>\$</b>
Opening balance as at 1 January 2019	37,364,860	1,609,350
Net loss attributable to unitholders		(972,613)
<b>Closing balance as at 31 December 2019</b>	<b>37,364,860</b>	<b>636,737</b>

**8. Capital Management**

The Trust's objectives for managing capital were:

- to maximise the amount of capital returned to investors; and
- to maintain sufficient liquidity to meet the ongoing expenses of the Trust; and
- to maintain sufficient size to make the operation of the Trust cost-efficient.

As at 24 June 2020, the Trust made a return of capital to unitholders of \$647,212 (2019: \$nil).

**9. Auditor's Remuneration**

	<b>Period 1 January 2020 to 24 June 2020 \$</b>	<b>Year ended 31 December 2019 \$</b>
<b>Audit and review of the financial report</b>	<b>5,170</b>	<b>22,000</b>
<b>Audit and review of compliance plan</b>	<b>-</b>	<b>3,553</b>
	<b>5,170</b>	<b>25,553</b>

The auditor of the Trust is Crowe Sydney.

The compliance plan auditor of the Trust is Ernst & Young.

## Notes to the Financial Statements

## 10. Cash and Cash Equivalents

- (a) Cash and cash equivalents include cash on hand, cash at banks net of outstanding overdrafts, cash balances held with brokers and cash held in the One Cash Management Fund ("OCMF"), which is redeemable on a daily basis. Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	24 June 2020	31 December 2019
	\$	\$
Cash at banks	-	428,241
OCMF	-	185,735
	-	<b>613,976</b>

- (b) Reconciliation of decrease in net assets attributable to unitholders for the period to net cash provided by operating activities:

	Period 1 January 2020 to 24 June 2020	Year ended 31 December 2019
	\$	\$
<b>Decrease in net assets attributable to unitholders</b>	<b>10,475</b>	<b>(972,613)</b>
Net losses on assets held at fair value through profit or loss	-	716,323
Proceeds from sale of financial assets held at fair value through profit or loss	-	398,586
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in other assets	129,776	(45)
Increase/(decrease) in trade and other payables	(107,015)	19,235
<b>Net cash generated from operating activities</b>	<b>33,236</b>	<b>161,486</b>

## 11. Financial Risk Management Objectives and Policies

Risks arising from holding financial instruments are inherent in the Trust's activities. These risks are managed through a process of ongoing identification, measurement and monitoring. The Trust is exposed to credit risk, liquidity risk and market risk.

Financial instruments of the Trust comprise investments in financial assets and liabilities held for the purpose of generating a return on the investment made by unitholders. In addition, the Trust also holds derivatives, cash and cash equivalents, and other financial instruments such as trade debtors and creditors, which arise directly from the operations of the Trust. The responsibility for identifying and controlling the risks that arise from these instruments is that of the Responsible Entity of the Trust.

The method used to measure the risks reflects the expected impact on the performance of the Trust as well as the assets attributable to unitholders of the Trust resulting from reasonably possible changes in the relevant risk variables. Information regarding the Trust's risk exposure is prepared and monitored by the Responsible Entity against established investment mandate limits. These mandate limits reflect the investment strategy and market environment of the Trust as well as the level of risk the Trust is willing to accept. Information about these risk exposures at reporting date is disclosed below.

**a) Credit risk**

Credit risk is the risk that a counter party will fail to perform contractual obligations, either in whole or in part, under a contract and cause the Trust to incur a financial loss.

**Notes to the Financial Statements**
**11. Financial Risk Management Objectives and Policies (continued)**
**a) Credit risk(continued)**

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. This risk may be minimised by:

- ensuring counterparties, together with the respective credit limits are approved;
- ensuring that the transactions are undertaken with a large number of counterparties; and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Statement of Financial Position.

Further, the Trust had credit risk exposure to the U.S geographical region and the financial services industry only. The Trust's maximum credit exposure for the period ended 24 June 2020 is \$nil (2019: \$743,752).

**b) Market risk**

Market risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in the fair value of a financial asset. These fluctuations can be due to changes in market variables such as interest rates. Market risk is minimised by ensuring that all investment activities are undertaken in accordance with agreed investment and leverage guidelines, and meet the manager's selection, analysis and due diligence criteria.

**i) 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 Trust has exposure to foreign currency risk implicit in the value of the Underlying Investment Portfolio denominated in a foreign currency, and transactional exposure arising from planned purchases or sales of securities.

The portfolio held by EAIT was denominated in USD. In addition, the portfolio was not hedged and ultimate realisations of assets denominated in foreign currencies will be subject to exchange rate movements.

The following table indicates the currencies to which the Trust had significant exposure quoted in AUD equivalents:

**24 June 2020**

	AUD \$	USD \$	Total \$
<b>Assets</b>			
Cash and cash equivalents	-	-	-
Other assets	-	-	-
<b>Total assets</b>	-	-	-
<b>Liabilities</b>			
Management fees payable	-	-	-
Administrative fees payable	-	-	-
Professional fees payable	-	-	-
Other payables	-	-	-
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	-	-	-
<b>Net assets attributable to unitholders</b>	-	-	-
<b>Total foreign currency exposure</b>	-	-	-
<b>Net foreign currency exposure</b>	-	-	-

**Notes to the Financial Statements**
**11. Financial Risk Management Objectives and Policies (continued)**
*b) Market risk (continued)*
**i) Currency risk (continued)**
**31 December 2019**

	AUD \$	USD \$	Total \$
<b>Assets</b>			
Cash and cash equivalents	428,241	185,735	613,976
Other assets	10,959	118,817	129,776
<b>Total assets</b>	<b>439,200</b>	<b>304,552</b>	<b>743,752</b>
<b>Liabilities</b>			
Management fees payable	7,169	-	7,169
Administrative fees payable	7,929	-	7,929
Professional fees payable	26,950	-	26,950
Other payables	64,967	-	64,967
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>107,015</b>	<b>-</b>	<b>107,015</b>
<b>Net assets attributable to unitholders</b>	<b>332,185</b>	<b>304,552</b>	<b>636,737</b>
Total foreign currency exposure	-	304,552	304,552
<b>Net foreign currency exposure</b>	<b>-</b>	<b>304,552</b>	<b>304,552</b>

The following table demonstrates the sensitivity of the Trust's Statement of Profit or Loss and Other Comprehensive Income to a reasonable change in foreign exchange rates, with all other variables held constant.

Index	Change in foreign exchange rate	Effect on net profit attributable to unitholders \$
<b>Period ended 24 June 2020</b>		
USD/AUD	20%/(20%)	-/-
<b>Year ended 31 December 2019</b>		
USD/AUD	20%/(20%)	60,910/(60,910)

**Notes to the Financial Statements**
**11. Financial Risk Management Objectives and Policies (continued)**
**b) Market risk (continued)**
**ii) Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Trust's exposure to interest rate risk is set out in the following table:

	Floating interest rate \$	Non-interest bearing \$	Total \$
<b>24 June 2020</b>			
<b>Assets</b>			
Cash and cash equivalents	-	-	-
Other assets	-	-	-
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>			
Management fees payable	-	-	-
Administrative fees payable	-	-	-
Professional fees payable	-	-	-
Other payables	-	-	-
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Floating interest rate \$	Non-interest bearing \$	Total \$
<b>31 December 2019</b>			
<b>Assets</b>			
Cash and cash equivalents	613,976	-	613,976
Financial assets held at fair value through profit or loss	-	-	-
Other assets	-	129,776	129,776
<b>Total assets</b>	<b>613,976</b>	<b>129,776</b>	<b>743,752</b>
<b>Liabilities</b>			
Management fees payable	-	7,169	7,169
Administrative fees payable	-	7,929	7,929
Professional fees payable	-	26,950	26,950
Other payables	-	64,967	64,967
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>-</b>	<b>107,015</b>	<b>107,015</b>
<b>Net exposure</b>	<b>613,976</b>	<b>22,761</b>	<b>636,737</b>

**Notes to the Financial Statements**
**11. Financial Risk Management Objectives and Policies (continued)**
**b) Market risk (continued)**
**ii) Interest rate risk (continued)**

The following table demonstrates the sensitivity of the Trust's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income to a reasonable change in interest rates, with all other variables constant. The 25 basis point sensitivity is based on the volatility of change in the AUD cash interest rate over the last 10 years:

	Change in basis points increase/(decrease)	Sensitivity of interest income/expense to increase/(decrease) in interest rate	Sensitivity of changes in fair value of financial assets/liabilities
<b>Period 1 January 2020 to 24 June 2020</b>			
AUD interest rate	25bp/(25bp)	-/-	-
<b>Year ended 31 December 2019</b>			
AUD interest rate	25bp/(25bp)	1,535/(1,535)	-

**iii) Price risk**

Price risk is the risk that the fair value of investments decreases as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. The Trust is not directly correlated with any particular stock market indices. Price risk is managed by monitoring compliance with established investment mandate limits. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

As at 24 June 2020, a positive 10% sensitivity on the underlying investment portfolio would have had an impact in the Trust's Statement of Profit and Loss and Other Comprehensive Income and net assets attributable to unitholders of \$nil (2019: \$nil). A negative sensitivity would have an equal but opposite impact.

**c) Liquidity risk**

Liquidity risk is the risk that the Trust will encounter difficulty in raising funds to meet commitments associated with financial instruments. The investments of the Trust may experience limited or no liquidity and therefore an investment in the Trust should be regarded as an illiquid investment involving a high degree of liquidity risk. Some of the Trust's investments may be highly illiquid. In addition, in the case of unlisted securities, there is no established secondary market for those investments and realisation of those assets may take a considerable amount of time.

In order to control the liquidity risk associated with its investments, the Trust conducts its investing activities in accordance with agreed guidelines and leverage ratios to ensure a minimal concentration of risk.

**Maturity Analysis for Financial Liabilities**

Financial liabilities of the Trust comprise trade and other payables and net assets attributable to unitholders. Trade and other payables have no contractual maturities but are typically settled within 30 days.

Unitholders may ask to have their units redeemed at any time, but there is no obligation for the Responsible Entity to satisfy the request. The directors have determined that it would be in the best interests of all unitholders to refuse applications and redemption requests until further notice. This, in addition to the decision to undertake an orderly wind down of the assets of the Trust result in the net assets attributable to unitholders to be classified as settling in more than 12 months.

The amounts in the table are the contractual undiscounted cash flows. Balances due equal their carrying balances, as the impact of discounting is not significant.

**Notes to the Financial Statements**
**11. Financial Risk Management Objectives and Policies (continued)**
**c) Liquidity risk (continued)**
**Maturity Analysis for Financial Liabilities (continued)**

The following table shows the maturity analysis of the Trust's liabilities.

	24 June 2020						Total
	On demand	< 1 month	1-3 months	3-6 months	6-12 months	> 12 months	
	\$	\$	\$	\$	\$	\$	\$
<b>Liabilities</b>							
Management fees payable	-	-	-	-	-	-	-
Administrative fees payable	-	-	-	-	-	-	-
Professional fees payable	-	-	-	-	-	-	-
Other payables	-	-	-	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-	-	-

	31 December 2019						Total
	On demand	< 1 month	1-3 months	3-6 months	6-12 months	> 12 months	
	\$	\$	\$	\$	\$	\$	\$
<b>Liabilities</b>							
Management fees payable	-	-	7,169	-	-	-	7,169
Administrative fees payable	-	7,929	-	-	-	-	7,929
Professional fees payable	-	-	26,950	-	-	-	26,950
Other payables	-	-	64,967	-	-	-	64,967
Net assets attributable to unitholders	-	-	-	-	-	636,737	636,737
<b>Total liabilities</b>	-	7,929	99,086	-	-	636,737	743,752

**12. Related Party Transactions**
**a) Responsible Entity's and Custody fee**

In accordance with the Trust's Constitution, the Responsible Entity receives a total fee of 1.25% per annum on the Trust's assets, (exclusive of GST), net of tax credits available to the Trust.

Transactions with related parties have taken place at arm's length and in the ordinary course of business. The transactions during the period and amounts payable at period end between the Trust and the Responsible Entity have been disclosed in note 5.

In addition, OMIFL was also responsible for the custody of the Trust's assets. During the period ended 24 June 2020, the Trust paid \$3,844 (2019: \$7,688) to OMIFL for custody services provided. As at 24 June 2020, \$nil was payable (2019: \$2,062) to OMIFL for custody services provided.

**Other fees paid to related parties**

The Responsible Entity has appointed third party service providers to the Trust, some of whom are related parties of the Responsible Entity. One Registry Services Pty Ltd ("ORS"), a subsidiary of One Investment Group ("OIG"), provided registry services. Total fees paid or payable to ORS for the period were \$1,975 (2019: \$20,353) of which \$nil (31 December 2019: \$18,911) was payable at period-end.

**Notes to the Financial Statements**

**12. Related Party Transactions (continued)**

**b) Investments in Unlisted Funds where members of OIG act as Trustee**

The Trust has invested units valued at \$nil (2019: \$185,735) in the One Cash Management Fund ("OCMF") as at 24 June 2020. The trustee of OCMF is One Investment Management Pty Ltd ("OIMPL"), an authorised representative of OMIFL. OIMPL and OMIFL are subsidiaries of OIG. This investment has enabled the Trust to improve its return on cash held. The investment has been included in cash and cash equivalents as it is redeemable daily.

OCMF charges a management fee to its unitholders at a rate of 0.50% per annum on gross assets in the fund. Management fees paid by the Trust to OCMF for the period ended 24 June 2020 were \$413 (31 December 2019: \$1,009).

**13. Indemnities**

The Trust entered into contracts that contained a variety of indemnifications. The Trust's maximum exposure under these arrangements was unknown. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

**14. Commitments and Contingencies**

There are no commitments or contingencies as at 24 June 2020 (2019: \$ nil).

**15. Subsequent Events**

There are no subsequent events as the Trust was wound up effect 24 June 2020.