

**JB High Alpha Retail Fund**

**ARSN 602 157 559**

Final annual report for the financial period 1 July 2020 to 11 November 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 JB High Alpha Retail Fund (ARSN 602 157 559) (the "Fund"), submit their report together with the financial statements for the Fund for the period 1 July 2020 to 11 November 2020.

### **Responsible Entity**

The responsible entity of the Fund 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.

### **Investment manager**

The investment manager of the Fund until 11 September 2020 was John Bridgeman Limited (ACN 603 477 185) ("Investment Manager").

The principal place of business of the Investment Manager is Level 9, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000. The appointment of the Investment Manager under the Investment Management Agreement, was terminated effective 11 September 2020.

### **Directors and Senior Management**

The names of the directors and company secretaries of the Responsible Entity, during the financial period and up to the date of this report are:

<b>Name</b>	<b>Title</b>
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

### **Principal Activities**

The Fund is a registered managed investment scheme, domiciled in Australia. The Fund was originally constituted on 24 September 2014 and registered as a Managed Investment Scheme on 9 October 2014. The Fund was reconstituted and renamed from Australian Wealth Fund to JB High Alpha Retail Fund on 24 October 2018. The Fund commenced operations on 15 February 2019.

The principal activity of the Fund was to invest in accordance with the provisions of the Fund's Constitution and its most recent Product Disclosure Statement (PDS), dated 20 December 2018. The Fund was terminated on 11 September 2020.

The Fund had an absolute return global macroeconomic focused strategy seeking to exploit long and short term mis-pricings in global markets. The focus is on exposure to major developed markets. The Fund's investment objective was to provide investors with moderate to high portfolio appreciation over the medium to long-term, through active management of exchange-traded futures and options, targeting above average returns.

The Fund did not have any employees during the period.

### **Review of Operations**

#### **Results**

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of the financial statements. The net loss attributable to unitholders for the period 1 July 2020 to 11 November 2020 was \$197,988 (30 June 2020: loss \$1,952,899).

## **Directors' Report (continued)**

### ***Distributions***

The Fund distributed \$1,577,594 as a return of capital to all unitholders during the period 1 July 2020 to 11 November 2020 (30 June 2020: \$nil).

### ***Fair Value and Units Issued***

The total value of the Fund's gross assets as at 11 November 2020 was \$nil (30 June 2020: \$1,848,966). The total number of units on issue as at 11 November 2020 was nil (30 June 2020: 3,227,999).

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the year and as at 11 November 2020 (30 June 2020: nil).

### ***Significant Changes in State of Affairs***

The PDS has been withdrawn from use and the Fund has been wound up on 11 November 2020.

### ***Subsequent Events***

There are no subsequent events as the fund was wound up effective 11 November 2020.

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

The Fund was wound up on 11 November 2020.

### ***Environmental Regulation and Performance***

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

## Directors' Report (continued)

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

During or since the financial period, the Fund has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Fund or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Fund. In addition, the Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Fund.

### *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 4.

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



Frank Tearle

Director

27 November 2020

27 November 2020

The Directors  
One Managed Investment Funds Limited  
As the Responsible Entity of JB High Alpha Retail Fund  
Level 16  
Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Directors


## JB High Alpha Retail Fund

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 JB High Alpha Retail Fund for the period 1 July 2020 to 11 November 2020, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) 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. Liability limited other than for acts or omissions of financial services licensees.

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## Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 9 to 26 are in accordance with the *Corporations Act 2001*, including:
- complying 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 11 November 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

27 November 2020

## Independent Auditor's Report to the Unitholders of JB High Alpha Retail Fund

### Opinion

We have audited the financial report of JB High Alpha Retail Fund (the "Fund"), which comprises the statement of financial position as at 11 November 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 July 2020 to 11 November 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 Fund is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 11 November 2020 and of its financial performance for the period 1 July 2020 to 11 November 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 Fund 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.

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

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. Liability limited other than for acts or omissions of financial services licensees.

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## Responsibilities of the Directors for the Financial Report

The directors of One Managed Investment Funds Limited as the Responsible Entity of the Fund 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.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the ability of the Fund 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 Fund or to cease operations, or have no realistic alternative but to do so. The Fund has been wound up effective 11 November 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 Fund'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 of the Responsible Entity 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

27 November 2020  
Sydney

## Statement of Profit or Loss and Other Comprehensive Income for the financial period 1 July 2020 to 11 November 2020

	Note	Period 1 July 2020 to 11 November 2020 \$	Year ended 30 June 2020 \$
<b>Income</b>			
Net gains/(losses) on financial instruments held at fair value through profit or loss	6	24,262	(621,318)
Interest income		1,081	24,981
Foreign exchange gains		3,532	13,859
<b>Total Income/(loss)</b>		<b>28,875</b>	<b>(582,478)</b>
<b>Expenses</b>			
Broker Fees Expense		93,771	1,184,850
Management fees	13 (a)	6,152	80,282
Other expenses		126,940	105,289
<b>Total expenses</b>		<b>226,863</b>	<b>1,370,421</b>
Operating losses attributable to unitholders		(197,988)	(1,952,899)
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders	8	-	-
Decrease in net assets attributable to unitholders	7	197,988	1,952,899
<b>Profit/(loss) for the period/year</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period/year</b>		<b>-</b>	<b>-</b>

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 11 November 2020

	Note	11 November 2020 \$	30 June 2020 \$
<b>Assets</b>			
Cash and cash equivalents	11	-	1,828,363
Other assets	9	-	4,044
Financial assets held at fair value through profit or loss	5	-	16,559
<b>Total assets</b>		<b>-</b>	<b>1,848,966</b>
<b>Liabilities</b>			
Management fees payable		-	3,437
Other payables	10	-	1,975
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>-</b>	<b>5,412</b>
<b>Net assets attributable to unitholders - liability</b>	7	<b>-</b>	<b>1,843,554</b>

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

## Statement of Changes in Equity for the financial period 1 July 2020 to 11 November 2020

	Period 1 July 2020 to 11 November 2020 \$	Year ended 30 June 2020 \$
<b>Total equity at the beginning of the period</b>		
Profit /(loss) for the period	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	-
Transactions with owners in their capacity as equity holders	-	-
<b>Total equity at the end of the financial period/year</b>	-	-

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

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

## Statement of Cash Flows for the financial period 1 July 2020 to 11 November 2020

	Period 1 July 2020 to 11 November 2020	Year ended 30 June 2020
Note	\$	\$
<b>Cash flows from operating activities</b>		
Net payments for purchase and sale of financial instruments held at fair value through profit or loss	(50,847)	(1,889,179)
Interest received	1,081	24,981
Management fees paid	(9,589)	(84,286)
Performance fee paid	-	(22,661)
Other expenses paid	(126,974)	(80,848)
<b>Net cash used in provided by operating activities</b>	<b>(186,329)</b>	<b>(2,051,993)</b>
	11(b)	
<b>Cash flows from financing activities</b>		
Proceeds from unitholder applications	-	1,340,000
Payments for unitholder redemptions	(67,972)	(1,908,094)
Distributions paid to unitholders	(1,577,594)	(1,007)
<b>Net cash used in financing activities</b>	<b>(1,645,566)</b>	<b>(569,101)</b>
Net decrease in cash and cash equivalents	(1,831,895)	(2,621,094)
Cash and cash equivalents at the beginning of the financial period/year	1,828,363	4,435,598
Effects of exchange rate changes on the balance of cash held in foreign currencies	3,532	13,859
<b>Cash and cash equivalents at the end of the period/year</b>	<b>-</b>	<b>1,828,363</b>
	11(a)	
<b>Non-cash financing activities</b>	<b>-</b>	<b>5</b>

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

**Notes to the Financial Statements****1. General Information**

These financial statements cover JB High Alpha Retail Fund (formerly known as Australian Wealth Fund) (ARSN 602 157 559) (the "Fund") as an individual entity. The Fund is a registered managed investment scheme, domiciled in Australia. The Fund was originally constituted on 23 September 2014 and registered as a Managed Investment Scheme on 9 October 2014. The Fund was reconstituted and renamed from Australian Wealth Fund to JB High Alpha Retail Fund on 24 October 2018. The Fund commenced operations on 15 February 2019.

The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) (the "Responsible Entity"). The Responsible Entity's registered office is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

The Fund had an absolute return global macroeconomic focused strategy seeking to exploit long and short mis-pricings in global markets. The focus was on exposure to major developed markets. The Fund's investment objective was to provide investors with moderate to high portfolio appreciation over the medium to long-term, through active management of exchange-traded futures and options, targeting above average returns.

The Fund was terminated on 11 September and confirmed wound up on 11 November 2020.

The financial statements were authorised for issue by the directors on the date the Directors' Declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

**2. Adoption of New and Revised Accounting Standards*****New or amended Accounting Standard and Interpretations adopted in the current year***

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 year.

***New standards and interpretation not yet adopted***

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

**3. Significant accounting policies*****a) Statement of Compliance***

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, the Corporations Act 2001, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board and the Fund's Constitution.

Compliance with Australian Accounting Standards, as issued by the 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"). Consequently, these financial statements have been prepared in accordance with and comply with IFRS as issued by the IASB.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements, as issued by the IASB. These policies have been consistently applied unless otherwise stated in the following text.

## Notes to the Financial Statements

### 3. Significant accounting policies (continued)

#### *b) Basis of preparation*

This general purpose financial report has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. The Fund is a for-profit entity for the purpose of preparing the financial statements.

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 amounts are presented in Australian dollars as the functional and presentational currency of the Fund.

#### *c) Going concern basis*

The financial report has been prepared on a non-going concern basis as it was terminated with effect from 11 September 2020 and confirmed wound up on 11 November 2020.

#### *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 Fund and the revenue can be reliably measured. Changes in fair value of financial assets and liabilities are recognised in profit or loss in the year in which the changes occur.

##### **Distributions**

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

##### **Dividends**

Dividend income is recognised on the ex-dividend date.

##### **Interest income**

Interest income is recognised on a time proportionate basis taking into account the effective yield on the financial assets.

#### *e) Expenses*

All expenses, including the Responsible Entity's fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

#### *f) Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and cash balances held with brokers.



## Notes to the Financial Statements

### 3. Significant accounting policies (continued)

#### **g) Investments in financial instruments**

Investments in financial instruments 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.

#### **(i) Classification**

The Fund's investments are categorised as at fair value through profit or loss. They comprise: Financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These are investments in equity securities.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

#### **(ii) Recognition/derecognition**

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in 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 has expired or the Fund has transferred substantially all risks and rewards of ownership.

#### **(iii) Measurement**

##### ***Financial assets and liabilities held at fair value through profit or loss***

At initial recognition, the Fund measures a financial asset or liability at its fair value. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the Statement of Profit or Loss and Other 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 Statement of Profit or Loss and Other Comprehensive Income within net gains/(losses) on financial instruments held at fair value through profit or loss in the year in which they arise. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting year without any deduction for estimated future selling costs. The quoted market price used for financial assets and liabilities held by the Fund is the current close price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

#### **h) Taxation**

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

**Notes to the Financial Statements****3. Significant accounting policies (continued)*****h) Taxation (continued)***

There is no taxable income of the Fund to which the unitholders are not currently entitled. Additionally, the Fund's Constitution requires the distribution of the full amount of the net taxable income of the Fund 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 Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

***i) Distributions***

Prior to this, in accordance with the Fund Constitution, the Fund fully distribute its distributable income, adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of Profit or Loss and Other Comprehensive Income as financial costs attributable to unitholders.

***j) Foreign currency transactions***

The functional and presentation currency for the Fund 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.

***k) Payables***

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the Statement of Financial Position as at the end of each reporting year where this amount remains unpaid as at the end of the reporting year.

***l) Receivables***

Receivables may include amounts for dividends, interest, and securities sold where settlement has not yet occurred. Dividends are accrued when the right to receive payment is established. Interest is accrued in accordance with the method outlined in note 3 (d). Amounts are generally received within 30 days of being recorded as receivables.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on receivables 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 Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty 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 which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

## Notes to the Financial Statements

### 3. Significant accounting policies (continued)

#### *m) Applications and redemptions*

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

#### *n) 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 are classified as financial liabilities as the Fund is required to distribute its distributable income. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of the redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting year if unitholders exercised their right to redeem units in the Fund.

#### *o) Critical accounting judgements and key sources of estimation uncertainty*

Management has adhered to the Fund's unit pricing policy which sets out the basis upon which the units of the Fund have been valued, a copy of which is available upon request.

For all of the Fund's financial instruments, quoted market prices are readily available. 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

#### *p) 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.

### 4. Financial Risk Management

The Fund's activities exposed it to a variety of financial risks: market risk (including price risk, currency risk, and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focused on managing the financial risks identified and on ensuring compliance with the Fund's Product Disclosure Statement and the law. It also sought to maximise the returns derived for the level of risk to which the Fund was exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions.

The management of these risks was carried out by the Investment Manager, prior to its termination, under the Investment Management Agreement approved by the directors of the Responsible Entity. The Fund used different methods to measure different types of risk to which it is exposed. These methods are explained below.

## Notes to the Financial Statements

**4. Financial Risk Management (continued)****a) Credit risk**

The Fund was exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Fund.

The Fund was also exposed to counterparty credit risk on cash and cash equivalents, amounts due from brokers and other receivables.

In accordance with the Investment Management Agreement, the Investment Manager monitored the Fund's credit position on an ongoing basis.

Concentrations of credit risk were minimised primarily by:

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

There were no significant concentrations of credit risk to counterparties at 11 November 2020. The Fund only had a material credit risk exposure to the banks that hold the cash balances at 11 November 2020. Credit risk is mitigated by the Fund by investing their cash through Authorised Deposit-taking Institutions.

The following table details the breakdown by credit rating of cash and cash equivalents held by the Fund:

	11 November 2020	30 June 2020
	\$	\$
A	-	350,550
AA-	-	1,477,813
	-	<b>1,828,363</b>

**(i) Settlement of securities transactions**

All transactions in listed securities were settled/paid for upon delivery using approved brokers. The risk of default was considered low, as delivery of securities sold was only made once the broker received payment. Payments were made once purchase orders on the securities had been received by the broker. The trade would have failed if either party failed to meet its obligations.

**b) Market risk**

Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices liquidity. Market risk was managed and monitored on an ongoing basis by the Investment Manager.

**c) Currency risk**

Exposure to movements in currency exchange rates can affect the value of the underlying foreign investments held in the Fund. The Investment Manager may use currency futures to hedge against such risk. However, there were no assurances that the currency hedging strategy in place would be effective and therefore currency fluctuations may have impacted on the Fund's returns.

## Notes to the Financial Statements

## 4. Financial Risk Management (continued)

## d) 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 Fund's exposure to interest rate risk is set out in the following table:

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	\$	\$	\$	\$
<b>11 November 2020</b>				
<b>Assets</b>				
Cash and cash equivalents	-	-	-	-
Other assets	-	-	-	-
Financial assets held at fair value through profit or loss	-	-	-	-
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>				
General Fund Expenses Payable	-	-	-	-
Management fees payable	-	-	-	-
<b>Total liabilities excluding net assets attributable to unitholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	\$	\$	\$	\$
<b>30 June 2020</b>				
<b>Assets</b>				
Cash and cash equivalents	1,828,363	-	-	1,828,363
Other assets	-	-	4,044	4,044
Financial assets held at fair value through profit or loss	-	-	16,559	16,559
<b>Total assets</b>	<b>1,828,363</b>	<b>-</b>	<b>20,603</b>	<b>1,848,966</b>
<b>Liabilities</b>				
General Fund Expenses Payable	-	-	1,975	1,975
Management fees payable	-	-	3,437	3,437
<b>Total liabilities excluding net assets attributable to unitholders</b>	<b>-</b>	<b>-</b>	<b>5,412</b>	<b>5,412</b>
<b>Net exposure</b>	<b>1,828,363</b>	<b>-</b>	<b>15,191</b>	<b>1,843,554</b>

The following table demonstrates the sensitivity of the Fund's net assets attributable to unitholders and operating profit to a reasonable change in interest rates, with all other variables constant. The 25 basis point sensitivity is based on a reasonable volatility of change in the AUD cash interest rate over the coming year. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historical variations in risk variables should not be used to predict future variations in the risk variables.

## Notes to the Financial Statements

## 4. Financial Risk Management (continued)

## d) Interest rate risk (continued)

	Change in basis points increase/(decrease)	Effect on operating profit and net assets attributable to unitholders (\$)
<b>Period Ended 11 November 2020</b>		
AUD interest rate	25bp/(25bp)	-/-
<b>Year Ended 30 June 2020</b>		
AUD interest rate	25bp/(25bp)	4,571/(4,571)

## e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments.

In order to control the liquidity risk associated with its investments, the Fund conducted its investing activities in accordance with agreed guidelines to ensure a minimal concentration of risk. The Fund was managed with the goal that withdrawals can be processed fortnightly. The Investment Manager expected that the Fund would in the ordinary course be able to realise at least 90% of its assets, at the value ascribed to those assets in calculating the Fund's net asset value, within 5 trading days.

In order to manage the Fund's overall liquidity, the Responsible Entity had the discretion during the financial period to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion was in the best interests of unitholders. The Fund did not reject or withhold any redemption during the period ended 11 November 2020.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining year from 30 June 2020 to 11 November 2020. Units are redeemed on demand at the unitholder's option. However, the directors do not envisage that the contractual maturity disclosed in the table below were representative of the actual cash outflows, as holders of these instruments typically retained them for the medium to long term.

	11 November 2020						Total
	On demand	< 1 month	1-3 months	3-6 months	6-12 months	> 12 months	
<b>Liabilities</b>	\$	\$	\$	\$	\$	\$	\$
General Fund Expenses Payable	-	-	-	-	-	-	-
Management fees payable	-	-	-	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-	-	-

## Notes to the Financial Statements

## 4. Financial Risk Management (continued)

## e) Liquidity risk (continued)

	30 June 2020						Total
	On demand	< 1 month	1-3 months	3-6 months	6-12 months	> 12 months	
Liabilities	\$	\$	\$	\$	\$	\$	\$
Management fees payable	-	3,437	-	-	-	-	3,437
Other payable	-	1,975	-	-	-	-	1,975
Net assets attributable to unitholders	1,843,554	-	-	-	-	-	1,843,554
<b>Total liabilities</b>	<b>1,843,554</b>	<b>5,412</b>	-	-	-	-	<b>1,848,966</b>

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

## 5. Investments in Financial Instruments

## a) Financial assets held at fair value through profit or loss

	11 November 2020	30 June 2020
	\$	\$
<b>Designated at fair value through profit or loss</b>		
Investments in derivatives	-	16,559
<b>Total derivatives</b>	-	<b>16,559</b>
<b>Total financial assets held at fair value through profit or loss</b>	-	<b>16,559</b>

## b) Fair Value Hierarchy

The Fund measured and recognised financial assets and liabilities held at fair value through profit or loss on a recurring basis. The Fund has no assets and 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 measurement hierarchy:

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

## Notes to the Financial Statements

## 5. Investments in Financial Instruments (continued)

## b) Fair Value Hierarchy (continued)

Level 1:

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2:

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

The following table shows an analysis of financial instruments held at 11 November 2020 recorded at fair value and presented by level of the fair value hierarchy:

	11 November 2020			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
Investments in derivatives	-	-	-	-
<b>Total financial assets held at fair value through profit or loss</b>	-	-	-	-
	30 June 2020			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
Investments in derivatives	16,559	-	-	16,559
<b>Total financial assets held at fair value through profit or loss</b>	<b>16,559</b>	-	-	<b>16,559</b>

## Transfer between levels

There have been no transfers between levels for the financial period 1 July 2020 to 11 November 2020 (30 June 2020: Nil).

## c) Disclosed fair values

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



## Notes to the Financial Statements

## 6. Net gains on financial instruments held at fair value through profit or loss

	Period 1 July 2020 to 11 November 2020	Year ended 30 June 2020
	\$	\$
Unrealised gains on financial instruments designated at fair value through profit or loss	-	16,559
Realised gains/(losses) on financial instruments designated at fair value through profit or loss	24,262	(637,877)
<b>Net gains/(losses) on financial Instruments designated at fair value through profit or loss</b>	<b>24,262</b>	<b>(621,318)</b>

## 7. Net Assets Attributable to Unitholders

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

	Period 1 July 2020 to 11 November 2020		Year ended 30 June 2020	
	No. of Units	\$	No. of Units	\$
Opening balance	3,227,999	1,843,554	4,406,502	4,494,542
Applications for units by unitholders	-	-	1,179,636	1,210,000
Applications for reinvestments by unitholders	-	-	4	5
Cancellation of shares	(3,104,967)	-	-	-
Return of capital by unitholders	-	(1,577,594)	-	-
Redemption for units by unitholders	(123,032)	(67,972)	(2,358,143)	(1,908,094)
(Decrease) in net assets attributable to unitholders	-	(197,988)	-	(1,952,899)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>3,227,999</b>	<b>1,843,554</b>

As stipulated within the Fund's Constitution, each unit represented a right to an individual share in the Fund and did not extend to a right in the underlying assets of the Fund.

There were no separate classes of units and each unit had the same rights attaching to it as all other units of the Fund.

## 8. Distributions to Unitholders

The Fund paid \$1,577,594 as return of capital to all unitholders for the financial period ended 11 November 2020 (30 June 2020: \$nil).

## Notes to the Financial Statements

## 9. Other Assets

	11 November 2020	30 June 2020
	\$	\$
GST receivable	-	4,044
<b>Total other assets</b>	<b>-</b>	<b>4,044</b>

## 10. Other Payables

	11 November 2020	30 June 2020
	\$	\$
General fund expenses payable	-	1,975
<b>Total other payables</b>	<b>-</b>	<b>1,975</b>

## 11. Cash and Cash Equivalents

a) Cash and cash equivalents included cash at banks held at St George Bank and brokers. Cash at the end of the period/year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	11 November 2020	30 June 2020
	\$	\$
Cash at Broker	-	350,550
Cash at Bank	-	1,477,813
	<b>-</b>	<b>1,828,363</b>

b) Reconciliation of profit/(loss) for the year to net cash flows used in operating activities:

	Period 1 July 2020 to 11 November 2020	Year ended 30 June 2020
	\$	\$
<b>Profit/(loss) for the period</b>	-	-
Decrease in net assets attributable to unitholders	(197,988)	(1,952,899)
Change in value of financial assets held at fair value through profit or loss	(24,262)	621,318
Foreign exchange gains	(3,532)	(13,859)
Broker Fees Expense	93,771	1,184,850
Net proceeds from purchase and sale of financial assets held at fair value through profit or loss	(50,847)	(1,889,179)
<b>Change in assets and liabilities:</b>		
Decrease in other assets	4,044	559
Decrease in payables	(7,515)	(2,783)
<b>Net cash used in operating activities</b>	<b>(186,329)</b>	<b>(2,051,993)</b>

## Notes to the Financial Statements

**12. Auditor's Remuneration**

The auditor of the Fund is Crowe Sydney. Auditor's remuneration for the period 1 July 2020 to 11 November 2020 will be paid out of the Management Fee:

	Period 1 July 2020 to 11 November 2020 \$	Year ended 30 June 2020 \$
<b>Audit and other assurance services:</b>		
Audit and review of financial statements	4,900	6,825
Audit and review of compliance plan	-	3,500
<b>Total remuneration for audit and other assurance services</b>	<b>4,900</b>	<b>10,325</b>

The compliance plan auditor is Ernst & Young.

**13. Related Party Transactions**

The responsible entity of the Fund is OMIFL.

**a) Management fees paid and payable to the Investment Manager**

Management fees are the fees charged by the Investment Manager to provide investment management services to the Fund.

The Investment Manager charged 2.05% per annum (inclusive of GST and less any reduced input tax credits) of the gross value of the Fund's assets. For the financial period 1 July 2020 to 11 September 2020, the management fee expenses incurred by the Fund were \$6,152 (30 June 2020: \$80,282) of which \$nil (30 June 2020: \$3,437) is payable as of 11 November 2020.

**b) Performance fees paid and payable to the Investment Manager**

Performance fees were fees payable to the Investment Manager when there is a positive Fund performance after investment management fees and before usual expenses. The positive Fund performance must also have exceeded the high water mark.

The Investment Manager charged 23.575% of the change in the value of the portfolio of the Fund (before usual expenses, but after payment of management fees) of positive Fund performance over the relevant quarter. As at 11 November 2020, the performance fee incurred by the Fund was \$nil (30 June 2020: \$nil) of which \$nil (30 June 2020: \$nil) was payable as of 11 November 2020.

**(i) Other fees paid to related parties**

The Responsible Entity had appointed third party service providers to the Fund, some of whom are related parties of the Responsible Entity. The following entities, which are related parties of the Responsible Entity, provided services to the Fund during the financial period 1 July 2020 to 11 November 2020:

One Registry Services Pty Limited (ACN 141 757 360) – unit registry services.

OMIFL also acts as custodian for the Fund and receives a fee for doing so.

Fees paid to One Registry Services Pty Limited for registry services for the period 1 July 2020 to 11 November 2020 were \$9,060. Fees paid to OMIFL for custody services for the period 1 July 2020 to 11 November 2020 were \$22,917.

## Notes to the Financial Statements

**13. Related Party Transactions (continued)****c) Key management personnel****(i) Directors**

The key management personnel of the Responsible Entity, during the period and up to the date of this report are:

<b>Name</b>	<b>Title</b>
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

The Fund did not make, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the year.

**Key Management Compensation**

Key management personnel of the Responsible Entity were not compensated out of the Fund for the period 1 July 2020 to 11 November 2020 (30 June 2020: nil).

The Fund did not make, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the year.

**(ii) Other Key Management Personnel**

The key management personnel of the Investment Manager prior to termination of the investment management agreement period were:

<b>Name</b>	<b>Title</b>
Stuart McAuliffe	Managing Director & Chief Investment Officer
John McAuliffe	Chairman

**(iii) Other Key Management Personnel Unitholdings**

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the period 1 July 2020 to 11 November 2020 (30 June 2020: nil).

**Other Key Management Compensation**

Key management personnel of the Investment Manager were not compensated out of the Fund during the period 1 July 2020 to 11 November 2020 (30 June 2020: nil).

**14. Commitments and Contingencies**

There are no commitments or contingencies as at 11 November 2020 (30 June 2020: nil).

**15. Subsequent Events**

There are no subsequent events as the fund was wound up effective 11 November 2020.