

Realm High Income Fund

ARSN 159 673 533

Financial report

For the half-year ended 31 December 2021

Index to the Financial Statements

	Page
Directors' Report	2
Auditor's Independence Declaration	5
Independent Auditor's Report	6
Directors' Declaration	8
Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2021	9
Statement of Financial Position as at 31 December 2021	10
Statement of Changes in Equity for the half-year ended 31 December 2021	11
Statement of Changes in Net Assets Attributable to Unitholders for the half-year ended 31 December 2021	12
Statement of Cash Flows for the half-year ended 31 December 2021	13
Notes to the Financial Statements	
1. General Information	14
2. Adoption of New and Revised Accounting Standards	14
3. Summary of Significant Accounting Policies	14
4. Investments in Financial Instruments	16
5. Net Assets Attributable to Unitholders	18
6. Commitments and Contingencies	19
7. Subsequent Events	19

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 Realm High Income Fund (ARSN 159 673 533) ("RHIF" or the "Fund") submit their report together with the financial report for the Fund for the half-year ended 31 December 2021.

Responsible Entity

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

Information about the Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity, in office during the financial half-year are:

Name	Title
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, constituted and domiciled in Australia.

The Fund was constituted on 25 July 2012, registered as a managed investment scheme on 10 August 2012 and commenced operations on 26 September 2012.

The principal activity of the Fund during the half-year was to invest in accordance with the provisions of the Fund's Constitution and offer documents.

The Fund's primary emphasis is to invest in domestic investment grade asset-backed, bank-issued and corporate bonds. Notwithstanding this primary emphasis, the Fund may also invest in Commonwealth and State government securities, inflation linked securities, hybrid securities, revolving credit facilities, bank term deposits, international agency, supranational debt and derivatives. Derivatives can be used to implement investment decisions, including hedging, and as a risk management tool (such as managing the effect of interest rate or foreign currency movements). They may also be used to adjust or implement investment decisions and to gain, or avoid, exposure to a particular market rather than purchasing physical assets. In this regard, derivatives will only be used to gain exposures when they offer a more cost effective way of purchasing the underlying security. All derivative positions will be fully funded. No leverage is possible when fully exposing and backing the derivative position.

The Fund did not have any employees during the half-year.

There were no significant changes in the nature of the Fund's activities during the half-year.

Review and Results of Operations

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended 31 December 2021	Half-year ended 31 December 2020
Operating profit	11,256,469	21,182,843
Distributions paid and payable (\$)	16,112,820	11,778,461

Directors' report (continued)

Review and Results of Operations (continued)

Value of Assets and Units Issued

The total value of the Fund's assets at 31 December 2021 was \$1,505,854,843 (30 June 2021: \$1,385,080,999). The following table shows the total number of units on issue as at 31 December 2021 and 30 June 2021.

	As at	
	31 December 2021	30 June 2021
	<u>No. of Units</u>	<u>No. of Units</u>
Ordinary Units	20,453,517	14,978,157
Wholesale Units	1,184,938,680	975,939,618
Adviser Units	83,579,835	66,508,156
mFund Units	24,421,665	22,578,441
Total Units	<u>1,313,393,697</u>	<u>1,080,004,372</u>

Management Fees Paid and Payable to the Investment Manager

The costs of providing Responsible entity, Investment management, custodian, administrative and registry services to the Fund are paid out of the management fees referred to below.

As stated in the Product Disclosure Statements, the Responsible Entity charges a management fee of 1.2% (including GST) of the gross asset value of the Fund referable to Ordinary Units and 0.77% (including GST) of the gross asset value of the Fund referable to Wholesale Units, mFund Units and Adviser Units. The fee accrues daily and is payable monthly in arrears out of the assets of the

Investment management fees are paid monthly in arrears to the investment manager of the Fund, Realm Investment Management Pty Ltd ("Investment Manager").

The following management fees were paid or payable out of the Fund's property during the half-year ended 31 December 2021:

- Management fees of \$4,733,609 (31 December 2020: \$2,843,991) were incurred during the half-year ended 31 December 2021.
- Management fees of \$840,893 (30 June 2021: \$661,906) were payable at 31 December 2021.

Changes in State of Affairs

The Fund is approved to enter into the Attribution Managed Investment Trusts (AMIT) regime from 1 July 2021 for the year ending 30 June 2022.

During the half-year there were no other significant changes in the state of affairs of the Fund.

Subsequent Events

Ukraine conflict, following Russia's escalation in conflict in February 2022, there is an increased level of global uncertainty with increased market and economic volatility, which may in turn have an impact on the Fund.

The coronavirus, COVID-19, was first identified as a new, highly contagious virus in December 2019. The World Health Organisation declared a global pandemic in March 2020 and as at the date of this half yearly Report, COVID-19 remains prevalent throughout the world, including Australia. COVID-19 has caused unprecedented disruption to populations, businesses and general economic activity. As the situation evolves, it continues to impact on investment funds and their trustees and managers, both directly and indirectly.

As these situations are continuing, the Investment Manager has been monitoring both the valuation of the Fund's assets and the Fund's liquidity and is investing in accordance with the provision of the Fund's Constitution and offer documents and service providers whilst assessing the ongoing operations, liquidity, and lending arrangements and on that basis the values and estimates are reported. In these circumstances, there is uncertainty around valuations. The Investment Manager will continue to closely monitor market situations to ensure that valuations remain appropriate. The Investment Manager will provide resources and updates where necessary to provide informed guidance for investors during this changing environment.

Directors' report (continued)

Subsequent Events

There has been no matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Likely Developments

The Fund will continue to be managed in accordance with the Constitution and investment objectives as detailed in its most recent Product Disclosure Statements.

Environmental Regulation and Performance

The operations of the Fund 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 Fund.

Indemnification of Directors, Officers and Auditors

During or since the half-year, 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 5.

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



Frank Tearle
Director
11 March 2022

Auditor's Independence Declaration Under Section 307C of the *Corporations Act 2001* to Directors of One Managed Investment Funds Limited

As lead auditor for the review of the half year financial report of Realm High Income Fund for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, that there have been:

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

Yours sincerely,



Crowe Sydney



John Haydon
Senior Partner

11 March 2022

Liability limited by a scheme approved under Professional Standards Legislation.

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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Independent Auditor's Review Report to the Unitholders of Realm High Income Fund

Conclusion

We have reviewed the half-year financial report of Realm High Income Fund (the Fund), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of changes in net assets attributable to unitholders and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Realm High Income Fund does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Realm High Income Fund's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Responsibilities of the Directors for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Crowe Sydney



John Haydon
Senior Partner

11 March 2022

Directors' declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3 (a) to the financial statements; and
- (c) in the directors' opinion, the attached financial statements and Notes thereto are in accordance with *the Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to Section 303(5) of the Corporations Act 2001.

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



Frank Tearle
Director
11 March 2022

Statement of Profit or Loss and Other Comprehensive Income

	Note	Half-year ended	
		31 December 2021	31 December 2020
		\$	\$
Investment income			
Net (losses) / gains on financial instruments at fair value through profit or loss		(4,898,281)	10,506,931
Dividend income		(9,569)	414,911
Interest income		21,038,138	13,019,069
Other income		185,071	278,581
Total net investment income		16,315,359	24,219,492
Expenses			
Management fees		4,733,609	2,843,991
Other expenses		325,281	192,658
Total expenses		5,058,890	3,036,649
Operating profit		11,256,469	21,182,843
Finance costs attributable to unitholders			
Distributions to unitholders*		-	(11,778,461)
(Increase)/decrease in net assets attributable to unitholders	5	-	(9,404,382)
Profit/(loss) for the half-year		11,256,469	-
Other comprehensive income		-	-
Total comprehensive income for the half-year		11,256,469	-

*Net assets attributable to unitholders are reclassified from liabilities to equity from 1 July 2021. As a result, the Fund's distributions are no longer classified as finance costs in the Statement of Profit or Loss and Other Comprehensive Income but rather as distributions paid and payable in the Statement of Changes in Equity.

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

Statement of Financial Position

	Note	31 December 2021 \$	As at 30 June 2021 \$
Assets			
Cash and cash equivalents		115,052,042	150,271,767
Other receivables		6,994,615	3,770,789
Receivables on investment sold		-	26,733,394
Financial assets at fair value through profit or loss	4	1,383,808,186	1,204,305,049
Total assets		<u>1,505,854,843</u>	<u>1,385,080,999</u>
Liabilities			
Distributions payable		1,707,412	10,765,095
Management fees payable		840,893	661,906
Payables on investment purchased		-	24,561,503
Financial liabilities at fair value through profit or loss	4	125,026,369	211,932,165
Total liabilities (excluding net assets attributable to unitholders)		<u>127,574,674</u>	<u>247,920,669</u>
Net assets attributable to unitholders - liability*		-	1,137,160,330
Net assets attributable to unitholders - equity*	5	<u>1,378,280,169</u>	-

*Net assets attributable to unit holders are classified as equity at 31 December 2021 and as a financial liability at 30 June 2021.

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

Statement of changes in equity

	Note	31 December 2021 \$	As at 31 December 2020 \$
Total equity at the beginning of the financial half-year		-	-
Reclassification due to AMIT tax regime implementation*		1,137,160,330	-
Comprehensive income for the half-year			
Profit/(loss) for the half-year		11,256,469	-
Other comprehensive income		-	-
Total comprehensive income/loss		11,256,469	-
Transactions with unitholders			
Applications	5	388,733,438	-
Redemptions	5	(143,389,525)	-
Reinvestment of distributions	5	632,277	-
Distributions to unitholders	5	(16,112,820)	-
Total transactions with unitholders		229,863,370	-
Total equity at the end of the financial half-year*		1,378,280,169	-

*Effective from 1 July 2021, the Fund's units have been reclassified from financial liability to equity. As a result, equity transactions, including distributions have been disclosed in the above statement for the half-year ended 31 December 2021.

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

Statement of Cash Flows

	Note	Half-year ended 31 December 2021 \$	Half-year ended 31 December 2020 \$
Cash flows from operating activities			
Net purchase and sales of financial instruments at fair value through profit or loss		(261,200,283)	(201,249,756)
Gain/loss on foreign exchange		(8,213,037)	12,044,334
Interest received		17,710,705	12,721,132
Dividends received		(9,569)	414,911
Management fees paid		(4,554,622)	(2,669,451)
Other receipts		331,447	311,807
Other payments		(367,891)	(205,216)
Net cash outflow from operating activities		<u>(256,303,250)</u>	<u>(178,632,239)</u>
Cash flow from financing activities			
Distributions paid to unitholders		(24,538,226)	(19,380,678)
Proceeds from applications by unitholders		388,733,438	340,950,687
Payments for redemptions by unitholders		(143,389,525)	(64,685,071)
Net cash inflow from financing activities		<u>220,805,687</u>	<u>256,884,938</u>
Net increase/(decrease) in cash and cash equivalents		(35,497,563)	78,252,699
Cash and cash equivalents at the beginning of the half-year		150,271,767	49,568,654
Effects of exchange rate fluctuations on cash		277,838	(319,080)
Cash and cash equivalents at the end of the half-year		<u>115,052,042</u>	<u>127,502,273</u>
Non-cash operating and financing activities		<u>632,277</u>	<u>441,204</u>

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

1 General Information

The Fund is an unlisted registered managed investment scheme. The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"). The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

The Fund was constituted on 25 July 2012, registered as a managed investment scheme on 10 August 2012 and commenced operations on 26 September 2012.

The principal activities of the Fund is disclosed in the Directors' Report.

The Fund elected into the Attribution Managed Investment Trust ("AMIT") regime under the Taxation Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016 with effect 1 July 2021. The Responsible Entity is therefore no longer contractually obligated to pay distributions. However, it intends to continue paying distributions as described in its PDS. Consequently, the units in the Fund have been reclassified from a financial liability to equity on 1 July 2021. In the years the fund is AMIT compliant, and the fund is unable to pay cash distributions, any taxable income attributed to unitholders should be reported as a tax cost base uplift in the attribution managed investment trust member annual ("AMMA") statements.

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 Standards 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 other standards, interpretations or amendments to existing standards that are effective for the first time for the half year beginning after 1 July 2021, that have a material impact on the financial statements of the Fund recognised in the prior periods or will affect the current or future periods.

3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. This half-year report does not include all the notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(b) Basis of Preparation

This general purpose financial report has been prepared using the historical cost convention, except for the revaluation of investments in financial assets and liabilities, which have been measured at fair value.

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 certain 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.

3 Summary of Significant Accounting Policies (continued)

(b) Basis of Preparation (continued)

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Fund's 2021 annual financial report for the financial year ended 30 June 2021.

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

(c) Going Concern Basis

This half-year financial report has been prepared on a going concern basis.

(d) Distribution

In accordance with the offer documents of the Fund, distributions (if any) to unitholders are determined as soon as practicable after each month end. Where an income entitlement is to be distributed in cash, the distribution is generally made within 14 business days of the end of each calendar month, other than the 30 June month end, which will generally be paid within two months.

During the financial year, the Responsible Entity determines the distributable income (if any) for a distribution period to be distributed to unitholders which is based on a conservative estimate of distributable income for the whole financial period.

Upon adopting the AMIT regime, the Responsible Entity is no longer contractually obligated to pay distributions. The Responsible Entity will attribute the Fund's income to unitholders on a fair and reasonable basis. However, the Responsible Entity will not have a requirement under the Fund Constitution to distribute Fund income to unitholders. Any subsequent distribution will be recognised in the Statement of Changes in Equity.

The final distribution for the financial year will include the amount by which the distributable income (if any) for the financial period exceeds the aggregate of distributions to unitholders previously made during the financial period. In the event the amount distributed to unitholders during a financial period exceeds the actual income of the Fund for that financial period, the excess amount paid to unitholders will be classified as a capital distribution.

Distributable income includes capital gains arising from the disposal of investments. Unrealised gains or loss 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.

(e) Net Assets Attributable to Unitholders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders. The units are classified as liabilities as the Fund is required to distribute its distributable income in accordance with the Fund's Constitution.

The units can be put back to the Fund at any time for cash based on the redemption price. The units are carried at the redemption amount that is payable at balance date if the holder exercises the right to put them back to the Fund.

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

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

The Fund elected into the Attribution Managed Investment Trust regime with effect from 1 July 2021 and the Fund's units have been reclassified from a financial liability to equity as they satisfied all the above criteria.

4 Investments in Financial Instruments

	As at	
	31 December	30 June
	2021	2021
	\$	\$
Financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss		
Investment in asset backed securities	312,751,627	371,428,180
Investment in corporate bonds	841,384,702	528,783,963
Investment in equity securities	104,370,638	95,474,382
Investment in derivatives	125,301,219	208,618,524
Total financial assets at fair value through profit or loss	1,383,808,186	1,204,305,049
Financial liabilities at fair value through profit or loss		
Financial liabilities at fair value through profit or loss		
Investment in derivatives	125,026,369	211,932,165
Total financial liabilities at fair value through profit or loss	125,026,369	211,932,165

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.

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.

4 Investments in Financial Instruments (continued)

Fair value hierarchy (continued)

Level 3: (continued)

The following table shows an analysis of financial instruments as at 31 December 2021 and 30 June 2021, recorded at fair value and presented by level of the fair value hierarchy:

	31 December 2021			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Financial assets				
Investment in asset backed securities	-	312,751,627	-	312,751,627
Investment in corporate bonds	-	841,384,702	-	841,384,702
Investment in equity securities	104,370,638	-	-	104,370,638
Investment in derivatives	125,301,219	-	-	125,301,219
Total financial assets at fair value through profit or loss	229,671,857	1,154,136,329	-	1,383,808,186

Financial liabilities

Investment in derivatives	125,026,369	-	-	125,026,369
Total financial liabilities at fair value through profit or loss	125,026,369	-	-	125,026,369

	30 June 2021			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Financial assets				
Investment in asset backed securities	-	371,428,180	-	371,428,180
Investment in corporate bonds	-	528,783,963	-	528,783,963
Investment in equity securities	95,474,382	-	-	95,474,382
Investment in derivatives	208,618,524	-	-	208,618,524
Total financial assets at fair value through profit or loss	304,092,906	900,212,143	-	1,204,305,049

Financial liabilities

Investment in derivatives	211,932,165	-	-	211,932,165
Total financial liabilities at fair value through profit or loss	211,932,165	-	-	211,932,165

There were no transfers between levels 1, 2 and 3 during the half-year ended 31 December 2021. The Fund'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 31 December 2021 the Fund had \$229,671,857 (30 June 2021: \$304,092,906) financial assets at fair value through profit or loss included in level 1. As at December 2021 the Fund had \$125,026,369 (30 June 2021: \$211,932,165) financial liabilities 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 31 December 2021, the Fund had \$1,154,136,329 (30 June 2021: \$900,212,143) financial instruments in level 2.

4 Investments in Financial Instruments (continued)

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

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 31 December 2021, the Fund had \$ nil (30 June 2021: \$ nil) financial assets at fair value through profit or loss included in level 3.

Disclosed fair values

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

5 Net Assets Attributable to Unitholders

Under AASB 132 Financial Instruments: Presentation, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Prior to 1 July 2021 the Fund classified its net assets attributable to unit holders as liabilities in accordance with AASB 132. On 1 July 2021, the Fund has elected into the AMIT tax regime. The Fund no longer has a contractual obligation to pay distributions to unit holders. Therefore, the net assets attributable to unit holders of the Fund meet the criteria set out under AASB 132 and are classified as equity from 1 July 2021 onwards.

As a result of the reclassification of net assets attributable to unit holders from liabilities to equity, the Fund's distributions are no longer classified as finance costs in the Statement of Profit or Loss and other Comprehensive Income, but rather as distributions paid in the Statement of changes in Equity.

Movements in the number of units and net assets attributable to unitholders during the half-year ended 31 December 2021 were as follows:

Ordinary Units

	Half-year ended 31 December 2021		Half-year ended 31 December 2020	
	No. of Units	\$	No. of Units	\$
Balance as at 1 July	14,978,157	15,562,264	4,702,262	4,875,113
Applications for units by unitholders	17,035,716	17,617,735	5,200,390	5,436,383
Redemptions of units by unitholders	(11,641,948)	(12,045,629)	(104,732)	(109,164)
Reinvestments by unitholders	81,592	84,577	53,255	55,317
Distributions paid and payable		(264,413)		
Profit/(loss) for the half-year		178,275		
Increase/(decrease) in net assets attributable to unitholders	-	-	-	58,531
Closing balance as at 31 December	20,453,517	21,132,809	9,851,175	10,316,180

Wholesale Units

	Half-year ended 31 December 2021		Half-year ended 31 December 2020	
	No. of Units	\$	No. of Units	\$
Balance as at 1 July	975,939,619	1,029,176,616	540,404,667	569,321,783
Applications for units by unitholders	328,890,692	346,933,291	299,948,815	318,182,782
Redemptions of units by unitholders	(120,317,199)	(126,658,611)	(58,044,650)	(61,565,285)
Reinvestments by unitholders	425,568	448,670	284,441	300,599
Distributions paid and payable	-	(14,552,479)	-	-
Profit/(loss) for the half-year	-	10,162,791	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	8,540,901
Closing balance as at 31 December	1,184,938,680	1,245,510,278	782,593,273	834,780,780

5 Net Assets Attributable to Unitholders (continued)

Adviser Units

	Half-year ended 31 December 2021		Half-year ended 31 December 2020	
	No. of Units	\$	No. of Units	\$
Balance as at 1 July	66,508,156	68,891,320	43,218,206	44,750,417
Applications for units by unitholders	20,222,600	20,931,313	12,110,784	12,634,001
Redemptions of units by unitholders	(3,240,137)	(3,347,853)	(2,294,484)	(2,399,807)
Reinvestments by unitholders	89,216	92,289	80,853	83,934
Distributions paid and payable	-	(983,505)	-	-
Profit/(loss) for the half-year	-	689,359	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	603,861
Closing balance as at 31 December	83,579,835	86,272,923	53,115,359	55,672,406

mFund Units

	Half-year ended 31 December 2021		Half-year ended 31 December 2020	
	No. of Units	\$	No. of Units	\$
Balance as at 1 July	22,578,441	23,530,130	13,462,761	14,014,586
Applications for units by unitholders	3,121,847	3,251,099	4,484,570	4,697,521
Redemptions of units by unitholders	(1,285,097)	(1,337,432)	(579,775)	(610,815)
Reinvestments by unitholders	6,474	6,741	1,296	1,354
Distributions paid and payable	-	(312,423)	-	-
Profit/(loss) for the half-year	-	226,044	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	201,089
Closing balance as at 31 December	24,421,665	25,364,159	17,368,852	18,303,735

Total Units

	Half-year ended 31 December 2021		Half-year ended 31 December 2020	
	No. of Units	\$	No. of Units	\$
Balance as at 1 July	1,080,004,373	1,137,160,330	601,787,896	632,961,899
Applications for units by unitholders	369,270,855	388,733,438	321,744,559	340,950,687
Redemptions of units by unitholders	(136,484,381)	(143,389,525)	(61,023,641)	(64,685,071)
Reinvestments by unitholders	602,850	632,277	419,845	441,204
Distributions paid and payable	-	(16,112,820)	-	-
Profit/(loss) for the half-year	-	11,256,469	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	9,404,382
Closing balance as at 31 December	1,313,393,697	1,378,280,169	862,928,659	919,073,101

6 Commitments and Contingencies

There are no commitments or contingencies at 31 December 2021 (30 June 2021: nil).

7 Subsequent Events

Ukraine conflict, following Russia's escalation in conflict in February 2022, there is an increased level of global uncertainty with increased market and economic volatility, which may in turn have an impact on the Fund.

The coronavirus, COVID-19, was first identified as a new, highly contagious virus in December 2019. The World Health Organisation declared a global pandemic in March 2020 and as at the date of this half yearly Report, COVID-19 remains prevalent throughout the world, including Australia. COVID-19 has caused unprecedented disruption to populations, businesses and general economic activity. As the situation evolves, it continues to impact on investment funds and their trustees and managers, both directly and indirectly.

7 Subsequent Events (continued)

As these situations are continuing, the Investment Manager has been monitoring both the valuation of the Fund's assets and the Fund's liquidity and is investing in accordance with the provision of the Fund's Constitution and offer documents and service providers whilst assessing the ongoing operations, liquidity, and lending arrangements and on that basis the values and estimates are reported. In these circumstances, there is uncertainty around valuations. The Investment Manager will continue to closely monitor market situations to ensure that valuations remain appropriate. The Investment Manager will provide resources and updates where necessary to provide informed guidance for investors during this changing environment.

There has not been any matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.