

**Holon Photon Fund**

**ARSN 633 803 497**

Annual report for the financial year ended 30 June 2021

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## Directors' Report

The directors of One Management Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity") the Responsible Entity of Holon Photon Fund (ARSN 633 803 497) (the "Fund") submit their report together with the financial statements for the year ended 30 June 2021.

### Responsible Entity

The responsible entity of the fund is OMIFL.

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

### Investment Manager

The investment manager of the Fund is Holon Global Asset Management Pty Ltd (ABN 92 629 590 585) ("Investment Manager").

The principal place of business of the Investment Manager is Level 2, Lawson Place 165-167 Phillip Street, Sydney, NSW 2000, Australia.

### Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity since inception of the Fund and up to the date of this report are:

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

### Principal Activities

The Fund is a registered managed investment scheme, domiciled in Australia. The Fund was constituted on 30 May 2019, registered as a managed investment scheme on 12 June 2019, and commenced operations on 1 July 2019.

The principal activity of the Fund during the year was to invest in accordance with the provisions of the Fund's Constitution dated 30 May 2019 and its most recent Product Disclosure Statement, dated 11 October 2021.

The Fund aims to invest in listed companies with global opportunity sets benefiting primarily from innovation. In particular, the Fund will focus on digital innovation enabling and driving a number of new emerging sectors and companies with the unusual economic characteristics of having strong network effects and the ability to scale rapidly and serve global markets.

The Fund did not have any employees during the year.

### 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 this financial report. The net profit attributable to unitholders for the financial year ended 30 June 2021 was \$1,884,412 (2020: \$186,931).

#### Distributions

In respect of the financial year ended 30 June 2021, a nil distribution was declared (2020: \$Nil).

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

### ***Value of Assets and Units Issued***

The total value of the Fund's assets at 30 June 2021 was \$11,672,091 (2020: \$1,147,391). The total number of units issued during the financial year was 5,518,561 (2020: 912,391) and on issue as at 30 June 2021 was 6,430,952 (2020: 912,391).

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the financial year and as at 30 June 2021.

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

There were no significant changes in the state of affairs of the Fund.

### ***Subsequent Events***

The PDS was rolled on 11 October 2021 disclosing the reduction in the management fee payable to the Investment Manager from 1.35% ps to 0.85% pa, and any other minor changes. Other than that, there has been no matter or circumstances occurring subsequent to the end of the 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 and Expected Results of Operations***

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in its most recent Product Disclosure Statement dated 11 October 2021.

### ***COVID-19***

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 30 June 2021, 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 have significant impacts on investment funds and their trustees and managers, both directly and indirectly.

As this situation is continuing, the Investment Manager has been monitoring both the valuation of the Fund's assets and the Fund's liquidity and is in close contact with service providers in assessing the ongoing operations, liquidity and the basis of the values and estimates 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 evolving environment.

### ***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 financial 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***

PKF (NS) Audit & Assurance Limited Partnership was appointed as auditor of the Fund in accordance with Section 327 of the Corporations Act 2001.

**Directors' Report (continued)**

***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.

A handwritten signature in blue ink that reads "Frank Tearle". The signature is written in a cursive, flowing style.

Frank Tearle

Director

22 October 2021

Holon Photon Fund  
ARSN: 633 803 497

## Auditors' Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

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



PKF



PAUL PEARMAN  
PARTNER

22 OCTOBER 2021  
SYDNEY, NSW

## Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 9 to 28 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 30 June 2021 and its performance for the financial year ended 30 June 2021.
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- (c) The financial statements are in compliance with International Financial Reporting Standards as issued by the International Accounting Standard 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

22<sup>nd</sup> October 2021

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF HOLON PHOTON FUND

### Report on the Financial Report

#### Opinion

We have audited the accompanying financial report of Holon Photon Fund (the "Fund"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Fund.

In our opinion, the accompanying financial report of the Holon Photon Fund is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Fund's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- ii) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the 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* (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.

#### Other Information

Those charged with governance are responsible for the Other Information. The Other Information obtained at the date of this auditor's report is information included in the Directors' Report but does not include the Financial Report and our auditor's report thereon.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon.



## Other Information (cont'd)

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

## Responsibilities of Directors' for the Financial Report

The Directors 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 are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a 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.

## 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in 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 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

## Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF



PAUL PEARMAN  
PARTNER

22 OCTOBER 2021  
SYDNEY, NSW

## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021

	Note	Period ended 30 June 2021 \$	Year ended 30 June 2020 \$
<b>Income</b>			
Net gains on financial assets held at fair value through profit or loss	6	2,135,243	221,253
Dividend income		5,204	1,766
Interest income		106	719
<b>Total income</b>		<b>2,140,553</b>	<b>223,738</b>
<b>Expenses</b>			
Performance fees		169,106	24,966
Management fees		84,328	11,802
Other expenses		2,709	39
<b>Total expenses</b>		<b>256,143</b>	<b>36,807</b>
Operating profit attributable to unitholders		<b>1,884,412</b>	186,931
<b>Increase in net assets attributable</b> to unitholders		<b>(1,884,412)</b>	<b>(186,931)</b>
<b>Profit/(loss) for the period</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>

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

## Statement of Financial Position as at 30 June 2021

	Note	As at 30 June 2021 \$	As at 30 June 2020 \$
<b>Assets</b>			
Cash & cash equivalents	9 (a)	336,569	305,444
Financial assets held at fair value through profit or loss	5	11,331,381	839,644
GST receivable		4,134	2,103
Dividends receivable		-	200
Interest Receivable		7	-
<b>Total assets</b>		<b>11,672,091</b>	<b>841,947</b>
<b>Liabilities</b>			
Performance fees payable	9	11,674	26,203
Management fees payable		12,846	1,257
<b>Total liabilities</b>		<b>24,520</b>	<b>27,460</b>
<b>Net assets attributable to unitholders - Equity</b>	7	<b>11,647,571</b>	<b>814,487</b>

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

## Statement of Changes in Equity for the year ended 30 June 2021

	Year ended 30 June 2021	Year ended 30 June 2020
	\$	\$
<b>Total equity at the beginning of the year</b>	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	-	-
<b>Transactions with unitholders</b>	-	-
Applications	-	-
Redemptions	-	-
<b>Transactions with owners in their capacity as equity holders</b>	-	-
<b>Total equity at the end of the 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 Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows for the year ended 30 June 2021

	Note	Year ended 30 June 2021	Year ended 30 June 2020
		\$	\$
<b>Cash flows from operating activities</b>			
Purchase/Sale of financial instruments held at fair value		(8,356,494)	(618,391)
Management fees paid		(72,739)	(10,545)
Performance fees paid		(183,635)	1,237
Dividends received		5,404	1,566
GST receivable		(2,031)	(2,103)
Other expenses		(2,709)	(39)
Interest received		99	719
<b>Net cash (used in) operating activities</b>	<b>9 (b)</b>	<b>(8,612,103)</b>	<b>(627,556)</b>
<b>Cash flows from financing activities</b>			
Proceeds from unitholders applications		8,815,150	933,000
Payments towards unitholders redemptions		(171,922)	-
<b>Net cash provided by financing activities</b>		<b>8,643,228</b>	<b>933,000</b>
<b>Net increase in cash and cash equivalents</b>		<b>31,125</b>	<b>305,444</b>
Cash and cash equivalents at the beginning of the year		305,444	-
<b>Cash and cash equivalents at the end of the year</b>	<b>9 (a)</b>	<b>336,569</b>	<b>305,444</b>

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

### 1. General Information

These financial statements cover the Holon Photon Fund (the “Fund”) as an individual entity. The Fund is an Australian registered managed investment scheme and was constituted on 30 May 2019, registered as a managed investment scheme on 12 June 2019, and commenced operations on 1 July 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 investment manager of the Fund is Holon Global Asset Management Pty Ltd (ABN 92 629 590 585) (“Investment Manager”).

The Fund aims to invest in listed companies with global opportunity sets benefiting primarily from innovation. In particular, the Fund will focus on digital innovation enabling and driving a number of new emerging sectors and companies with the unusual economic characteristics of having strong network effects and the ability to scale rapidly and serve global markets.

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 30 June 2021, 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 have significant impacts on investment funds and their trustees and managers, both directly and indirectly.

As this situation is continuing, the Investment Manager has been monitoring both the valuation of the Fund’s assets and the Fund’s liquidity and is in close contact with service providers in assessing the ongoing operations, liquidity, and the basis of the values and estimates 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 evolving environment.

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 period. These Standards and Interpretations did not have any material impact on these financial statements.

#### *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.

#### *b) Basis of preparation*

These general purpose financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments in financial assets and liabilities, which have been measured at fair value. 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 balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unitholders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance sheet date.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

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 going concern basis.

#### *d) Revenue and income recognition*

##### **Revenue**

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

##### **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.



### 3. Significant accounting policies (continued)

#### *d) Revenue and income recognition (continued)*

##### **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 Responsible Entity 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 Interactive Broker.

##### *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.

##### **Designated at fair value through profit or loss**

Investments of the Fund have been designated at fair value through profit or loss. All investments are initially recognised at fair value of the consideration paid including transaction costs. After initial recognition, the financial assets that are designated at fair value through profit or loss are re-valued to fair value at each reporting date.

The fair value of financial assets 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.

Changes in the fair value of the investment are included in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

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

The Fund recognises a financial asset when it becomes a party to the contractual provisions of the instrument. Purchases and sales of investments in financial instruments are accounted for as at the trade date.

##### *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.

##### *i) Distributions*

In accordance with the Product Disclosure Statement, the Fund intends to pay income distributions annually. An income distribution comprises the Investor's share of any net income earned by the Fund and determined to be distributable by the Responsible Entity. Where a distribution is made, the entitlement to income in respect of the class for a distribution period is the entitlement of the class for the period divided by the number of units of the class on issue as at the relevant distribution date.

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

### 3. Significant accounting policies (continued)

#### *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.

#### *l) Receivables*

Receivables may include amounts for dividends and interest. 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.

#### *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 unitholder's 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 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.

In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

### 3. Significant accounting policies (continued)

#### **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.

#### **q) Redeemable units**

The units issued by the Fund provide the unitholders with the right to redeem their units usually for cash equal to their proportionate share of the net asset value of the Fund. AASB 132 "*Financial Instruments Presentation*" permits certain puttable instruments that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity on liquidation to be classified as equity, subject to specified criteria being met.

The Fund's units do not meet the specified criteria and have been consequently classified as liabilities. The liability to unitholders is presented on the Statement of Financial Position as "Net assets attributable to unitholders" and is determined based on the residual assets of the Fund after deducting the Fund's other liabilities.

### 4. Financial Risk Management

The Fund's activities expose 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 focuses on ensuring compliance with the Fund's Product Disclosure Statement. It also seeks to maximise the returns derived for the level of risk to which the Fund is 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 is carried out by the Investment Manager under policies approved by the directors of the responsible entity. The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

#### **a) Credit Risk**

The Fund is 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 is also exposed to counterparty credit risk on cash and cash equivalents, amounts due from brokers and other receivables. In accordance with the Fund's policy, the Investment Manager monitors the Fund's credit position on an ongoing basis.

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

Concentrations of credit risk are 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 30 June 2021. The Fund only has a material credit risk exposure to the banks that holds the cash balances at 30 June 2021. Credit risk is mitigated by the Fund by investing their cash through Major Australian Banks.

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

	Year ended 30 June 2021	Year ended 30 June 2020
	\$	\$
AA-	4	2,250
A+	336,565	303,194
	<b>336,569</b>	<b>305,444</b>

**(i) Settlement of securities transactions**

All transactions in listed securities are settled/paid for upon delivery using Interactive Broker. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase orders on the securities have been received by the broker. The trade will fail if either party fails 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 is managed and monitored on an ongoing basis by the Investment Manager.

**c) Currency risk**

The Fund operates internationally and holds monetary assets denominated in currencies other than the Australian dollar.

Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

**4. Financial Risk Management (continued)**
**c) Currency risk (continued)**

The table below summarises the Fund's exposure to foreign currencies:

	AUD	HKD	USD	Total
	AUD \$	AUD \$	AUD \$	AUD \$
<b>30 June 2021</b>				
<b>Assets</b>				
Cash and cash equivalents	336,051	-	519	336,569
GST receivable	4,134	-	-	4,134
Interest receivable	7	-	-	7
Financial assets held at fair value through profit or loss	1,759,660	2,420,305	7,151,416	11,331,381
<b>Total assets</b>	<b>2,099,851</b>	<b>2,420,305</b>	<b>7,151,935</b>	<b>11,672,091</b>
	AUD	HKD	USD	Total
	AUD \$	AUD \$	AUD \$	AUD \$
<b>30 June 2021</b>				
<b>Liabilities</b>				
Management fee payable	(12,846)	-	-	(12,846)
Performance fee payable	(11,674)	-	-	(11,674)
<b>Total liabilities</b>	<b>(24,520)</b>	<b>-</b>	<b>-</b>	<b>(24,520)</b>
<b>Net currency exposure</b>	<b>2,075,331</b>	<b>2,420,305</b>	<b>7,151,935</b>	<b>11,647,571</b>
	AUD	HKD	USD	Total
	AUD \$	AUD \$	AUD \$	AUD \$
<b>30 June 2020</b>				
<b>Assets</b>				
Cash and cash equivalents	181,297	-	124,147	305,444
GST receivable	2,103	-	-	2,103
Dividends receivable	200	-	-	200
Financial assets held at fair value through profit or loss	224,535	65,245	549,864	839,644
<b>Total assets</b>	<b>408,135</b>	<b>65,245</b>	<b>674,011</b>	<b>1,147,391</b>
	AUD	HKD	USD	Total
	AUD \$	AUD \$	AUD \$	AUD \$
<b>30 June 2020</b>				
<b>Liabilities</b>				
Management fees payable	(1,257)	-	-	(1,257)
Performance fees payable	(26,203)	-	-	(26,203)
<b>Total liabilities</b>	<b>(27,460)</b>	<b>-</b>	<b>-</b>	<b>(27,460)</b>
<b>Net currency exposure</b>	<b>380,675</b>	<b>65,245</b>	<b>674,011</b>	<b>1,119,931</b>

## 4. Financial Risk Management (continued)

## c) Currency risk (continued)

The following table demonstrates the sensitivity of the Fund's net profit and net assets to a reasonable change in foreign exchange rates, with all other variables held constant.

	Change in foreign exchange rate increase/(decrease)	Effect on net profit and net assets attributable to unitholders
Year ended 30 June 2021	10%/(10%)	957,224/(957,224)
Year ended 30 June 2020	10%/(10%)	73,926/(73,926)

## 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>30 June 2021</b>				
<b>Assets</b>				
Cash and cash equivalents	336,569	-	-	336,569
Other assets	-	-	4,141	4,141
Financial assets held at fair value through profit or loss	-	-	11,331,381	11,331,381
<b>Total assets</b>	<b>336,569</b>	<b>-</b>	<b>11,335,522</b>	<b>11,672,091</b>
<b>Liabilities</b>				
Management fees payable	-	-	12,846	12,846
Performance fees payable	-	-	11,674	11,674
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>24,520</b>	<b>24,520</b>
<b>Net exposure</b>	<b>336,569</b>	<b>-</b>	<b>11,311,002</b>	<b>11,647,571</b>

## 4. Financial Risk Management (continued)

## d) Interest rate risk (continued)

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$	\$	\$	\$
<b>30 June 2020</b>				
<b>Assets</b>				
Cash and cash equivalents	305,444	-	-	305,444
Other assets	-	-	2,303	2,303
Financial assets held at fair value through profit or loss	-	-	839,644	839,644
<b>Total assets</b>	<b>305,444</b>	<b>-</b>	<b>841,947</b>	<b>1,147,391</b>
<b>Liabilities</b>				
Management fees payable	-	-	1,257	1,257
Performance fees payable	-	-	26,203	26,203
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>27,460</b>	<b>27,460</b>
<b>Net exposure</b>	<b>305,444</b>	<b>-</b>	<b>814,487</b>	<b>1,119,931</b>

**Net exposure**

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 maybe 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, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Change in basis points increase/(decrease)	Effect on operating profit and net assets attributable to unitholders (\$)
<b>Year ended 2021</b>		
AUD interest rate	25bp/(25bp)	841/(841)
<b>Year ended 2020</b>		
AUD interest rate	25bp/(25bp)	764/(764)

## e) Price risk

The Fund is exposed to equity securities price risk.

Price risk is the risk that the fair value of investments decreases as a result of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Price risk is managed by monitoring compliance with established investment mandate limits. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

#### 4. Financial Risk Management (continued)

##### e) Price risk (continued)

The Fund aims to invest in listed companies with global opportunity sets benefiting primarily from innovation. In particular, the Fund will focus on digital innovation enabling and driving a number of new emerging sectors and companies with the unusual economic characteristics of having strong network effects and the ability to scale rapidly and serve global markets.

As at 30 June 2021, a positive 10% sensitivity would have had an impact on the Fund's operating profit and net assets attributable to unitholders of \$1,133,138 (2020: \$83,964). A negative sensitivity would have an equal but opposite impact.

##### f) 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 conducts its investing activities in accordance with agreed guidelines to ensure a minimal concentration of risk.

The Fund is exposed to daily cash redemptions of its units. Its policy is therefore to hold investments that are traded in an active market and can be readily disposed.

The Fund's listed securities are considered readily realisable, as they are listed on global Stock Exchanges.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Fund did not reject or withhold any redemption during the year ended 30 June 2021.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period from 30 June 2021 to the contractual maturity date. 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 will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

	30 June 2021				Total
	On demand	< 1 month	1-12 months	> 12 months	
Liabilities	\$	\$	\$	\$	\$
Management fees payable	-	12,846	-	-	12,846
Performance fees payable	-	11,674	-	-	11,674
Net assets attributable to unitholders	11,647,571	-	-	-	11,647,571
<b>Total liabilities</b>	<b>11,647,571</b>	<b>24,520</b>	-	-	<b>11,672,091</b>



## 4. Financial Risk Management (continued)

## f) Liquidity risk (continued)

	30 June 2020				Total
	On demand	< 1 month	1-12 months	> 12 months	
Liabilities	\$	\$	\$	\$	\$
Management fees payable	-	1,257	-	-	1,257
Performance fees payable	-	26,203	-	-	26,203
Net assets attributable to unitholders	1,119,931	-	-	-	1,119,931
<b>Total liabilities</b>	<b>1,119,931</b>	<b>27,460</b>	<b>-</b>	<b>-</b>	<b>1,147,391</b>

## 5. Investments in Financial Instruments

## a) Financial assets designated as fair value through profit or loss

	Year ended 30 June 2021	Year ended 30 June 2020
	\$	\$
<b>Designated at fair value through profit or loss</b>		
Fund investment	11,331,381	839,644
<b>Total financial assets held at fair value through profit or loss</b>	<b>11,331,381</b>	<b>839,644</b>

## b) 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.

**5. Investments in Financial Instruments (continued)****b) Fair Value Hierarchy (continued)****Level 3:**

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 30 June 2021, recorded at fair value and presented by level of the fair value hierarchy:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at 30 June 2021</b>				
Investments in listed equities	11,331,381	-	-	11,331,381
<b>Total financial assets held at fair value through profit or loss</b>	<b>11,331,381</b>	<b>-</b>	<b>-</b>	<b>11,331,381</b>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at 30 June 2020</b>				
Investments in listed equities	839,644	-	-	839,644
<b>Total financial assets held at fair value through profit or loss</b>	<b>839,644</b>	<b>-</b>	<b>-</b>	<b>839,644</b>

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year. There were no transfers between levels during the year.

**Disclosed fair values**

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

**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 is determined using the last traded quoted price in an active market. As at 30 June 2021 the Fund had \$11,331,381 financial assets held at fair value through profit or loss included in level 1.

**Level 2**

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 30 June 2021, the Fund had no financial instruments in level 2.

**Level 3**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. As at 30 June 2021, the Fund had no financial instruments held at fair value through profit or loss included in level 3.

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

	Year ended 30 June 2021	Year ended 30 June 2020
	\$	\$
Unrealised gains on financial instruments designated as at fair value through profit or loss	2,167,783	241,048
Realised losses on financial instruments designated as at fair value through profit or loss	(32,540)	(19,795)
<b>Net gains on financial assets held at fair value through profit or loss</b>	<b>2,135,243</b>	<b>221,253</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:

	Year ended 30 June 2021		Year ended 30 June 2020	
	No. of Units	\$	No. of Units	\$
Opening balance	912,391	1,119,931		
Applications for units by unitholders	5,628,647	8,815,150	912,391	933,000
Redemption of units by unitholders	(110,086)	(171,922)	-	-
Profit in net assets attributable to unitholders	-	1,884,412	-	186,931
<b>Closing balance</b>	<b>6,430,952</b>	<b>11,647,571</b>	<b>912,391</b>	<b>1,119,931</b>

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

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

**8. Distributions to Unitholders**

The Fund expects to make distributions on an annual basis. Subject to the Constitution, distributions (if any) will generally be paid within three months of 30 June. Distributions are expected but not guaranteed.

In respect of the financial year ended 30 June 2021, no distribution was declared (2020: \$Nil).

**9. Cash and Cash Equivalents**

a) Cash and cash equivalents include cash at banks held at St George Bank, ANZ Bank and Interactive Broker.

	As at 30 June 2021	As at 30 June 2020
	\$	\$
Cash at Bank	63,055	2,250
Cash at Interactive Broker	273,514	303,194
	<b>336,569</b>	<b>305,444</b>

**9. Cash and Cash Equivalents (continued)****b) Reconciliation of profit/(loss) for the year to net cash flows used in operating activities:**

	Year ended 30 June 2021	Year ended 30 June 2020
	\$	\$
<b>Profit for the period</b>	<b>1,884,412</b>	<b>186,931</b>
Total comprehensive income for the period	-	-
Change in value of financial assets held at fair value through profit or loss	(2,135,243)	(221,253)
Net proceeds from purchase and sale of financial assets held at fair value through profit or loss	(8,356,494)	(618,391)
Interest income	(7)	
<b>Change in assets and liabilities:</b>		
Increase in receivables and other assets	(1,831)	(2,303)
Increase in payables	(2,940)	27,460
<b>Net cash used in operating activities</b>	<b>(8,612,103)</b>	<b>(627,556)</b>

**10. Auditor's Remuneration**

The auditor of the Fund is PKF (NS) Audit & Assurance Limited Partnership (2020: Bentleys NSW (Audit) Pty Ltd). Auditor's remuneration for the financial year ended 30 June 2021 will be paid by the Investment Manager:

	Year ended 30 June 2021	Year ended 30 June 2020
	\$	\$
<b>Audit and other assurance services :</b>		
Audit and review of financial statements	11,000	7,150
<b>Total remuneration for audit and other assurance services</b>	<b>11,000</b>	<b>7,150</b>

**11. 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 charges 1.35% per annum (inclusive of GST and less any reduced input tax credits) of the gross value of the Fund's assets. As at 30 June 2021, the management fees expense incurred by the Fund was \$84,328 (2020: \$11,802), of which \$12,846 was payable as at 30 June 2021 (2020: \$1,257).

**b) Performance fees paid and payable to the investment manager**

Performance fees are fees payable to the Investment Manager when the Fund's return exceeds the benchmark and high watermark.

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

**b) Performance fees paid and payable to the investment manager (continued)**

The Investment Manager charges 15% of the amount by which the Fund’s returns (after fees and expenses but before taxes) exceed the higher of the benchmark and high watermark (inclusive of GST and less any reduced input tax credits). As at 30 June 2021, the performance fee incurred by the Fund was \$169,106 (2020: \$26,203) of which \$11,674 (2020: \$26,203) was payable as at 30 June 2021.

**c) Other fees paid to related parties**

The Responsible Entity has 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, have provided services to the Fund during the financial year ended 30 June 2021:

- 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.

None of the above has received any remuneration directly from the Fund in relation to these services and they are remunerated by the Investment Manager.

**d) Key management personnel**

**(i) Directors**

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

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

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 30 June 2021.

The Fund has not made, 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 have not been compensated out of the Fund for the year ended 30 June 2021.

**(ii) Other Key Management Personnel**

The key management personnel of the Investment Manager at any time during the financial year are:

Name	Title
Luke Behncke	Executive Chair
Heath Behncke	Managing Director, Portfolio Manager

Key management personnel of the Investment Manager have not been compensated out of the Fund for the year ended 30 June 2021.

**12. Contingent Assets and Liabilities and Commitments**

There are no contingent assets and liabilities and commitments as at 30 June 2021 (2020: None).

**13. Subsequent Events**

The PDS was rolled on 11 October 2021 disclosing the reduction in the management fee payable to the Investment Manager from 1.35% ps to 0.85% pa, and any other minor changes. Other than that, there has been no matter or circumstances occurring subsequent to the end of the 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.