

Strategic Global Fund

ARSN 613 886 392

Interim report for the half-year ended 31 December 2018

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Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the responsible entity of Strategic Global Fund (ARSN 613 886 392) (the "Fund"), submit their report together with the condensed financial statements for the Fund for the half-year ended 31 December 2018.

Responsible Entity

The responsible entity of the Fund is OMIFL.

The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

Investment Manager

The investment manager of the Fund is JBS Investments Australia Holding Ltd (ACN 146 553 648) (AFSL 401 869) (the "Investment Manager").

The principal place of business of the Investment Manager is Level 34, Waterford Place, 1 Eagle Street, Brisbane QLD 4000.

Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity, during the half-year and up to the date of this report are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director (resigned 26 October 2018)
Sarah Wiesener	Executive Director (appointed 26 October 2018) and Company Secretary

Principal Activities

The Fund is a registered managed investment scheme, domiciled in Australia. The Fund was constituted on 3 August 2016, registered as a managed investment scheme on 4 August 2016 and commenced operations on 8 November 2016.

The principal activity of the Fund during the half-year was to invest in accordance with the provisions of the Fund's Constitution and its most recent Product Disclosure Statement, dated 6 December 2017.

The Fund's investment objective is to invest globally in strong businesses with sustainable competitive advantages, invest opportunistically in situations that are in transition, concentrate the portfolio in a limited number of investments and to maintain a long term investment horizon.

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

Review of Operations

Results

The results of the operations of the Fund are disclosed in the condensed Statement of Profit or Loss and Other Comprehensive Income of these financial statements. The loss attributable to unitholders for the half-year ended 31 December 2018 was \$3,561,624 (2017 profit: \$625,690).

Directors' Report (continued)

Review of Operations (continued)

Distributions

The Fund paid \$nil distribution to unitholders during the half-year ended 31 December 2018 (2017: \$nil).

Value of Assets and Units Issued

The total value of the Fund's net assets at 31 December 2018 was \$13,795,614 (30 June 2018:\$17,476,761). The total number of units on issue as at 31 December 2018 was 15,256,856 (30 June 2018: 15,454,979).

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the half-year and as at 31 December 2018.

Significant Changes in State of Affairs

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

Subsequent Events

There has been no matter or circumstances 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 and Expected Results of Operations

The Fund will be managed in accordance with the Constitution and investment objectives as detailed in its most recent Product Disclosure Statement dated 6 December 2017.

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 the half-year, the Responsible Entity paid premiums in respect of contracts insuring the directors of the Responsible Entity against a liability incurred as a director or executive officer to the extent permitted by the Corporations Act 2001. The contracts of insurance prohibit disclosure of the nature of the liability and the amount of the premiums.

The Fund has not directly indemnified or insured directors or officers. The Responsible Entity has not otherwise, during or since the end of the half-year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability.

Auditor

Crowe Horwarth Sydney was appointed as auditor of the Fund and continues in that office 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.



Frank Tearle
Director
1 March 2019

1 March 2019

The Directors
One Managed Investment Funds Limited
As the Responsible Entity of Strategic Global Fund
Level 11
20 Hunter Street
SYDNEY NSW 2000

Dear Directors

Strategic Global Fund

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

As lead audit partner for the review of the financial statements of Strategic Global Fund for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



Crowe Horwath Sydney



John Haydon
Senior Partner

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 8 to 17 are in accordance with the *Corporations Act 2001*, including:
- compliance with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of the Fund's financial position as at 31 December 2018 and its performance for the half-year ended on that date.
- (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.

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
1 March 2019

Independent Auditor's Review Report to the Unitholders of Strategic Global Fund

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Strategic Global Fund (the "Fund"), which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

Directors' Responsibility for the Interim Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2018 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*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Strategic Global Fund is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Fund's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Crowe Horwath Sydney



John Haydon
Senior Partner

Dated this 1st day of March 2019

Condensed Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2018

	Note	Half-year ended 31 December 2018 \$	Half-year ended 31 December 2017 \$
Income			
Net (losses)/gains on financial assets held at fair value through profit or loss	5	(3,402,755)	924,024
Dividend income		29,370	31,957
Interest income		90,439	43,864
Total (loss)/income		(3,282,946)	999,845
Expenses			
Management fees		159,923	121,212
Performance fees		-	179,375
Administration fees		11,967	9,123
Other expenses		106,788	64,445
Total expenses		278,678	374,155
Operating (loss)/profit attributable to unitholders		(3,561,624)	625,690
Finance costs attributable to unitholders			
Distributions to unitholders	7	-	-
Decrease/(Increase) in net assets attributable to unitholders	6	3,561,624	(625,690)
Profit/(loss) for the period		-	-
Comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the half-year		-	-

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

Condensed Statement of Financial Position as at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 \$
Assets			
Cash and cash equivalents	4	8,621,576	10,908,294
Dividends receivable		8,701	47,593
Interest receivable		12,177	13,583
Other receivables		7,982	17,437
Financial assets held at fair value through profit or loss	4	12,413,695	14,711,779
Total assets		21,064,131	25,698,686
Liabilities			
Broker Facility	4	7,218,854	8,021,117
Management fees payable		28,264	42,453
Performance fees payable		-	144,544
Other payables		21,399	13,811
Total liabilities		7,268,517	8,221,925
Net assets attributable to unitholders	6	13,795,614	17,476,761
Liability attributable to unitholders		(13,795,614)	(17,476,761)
Net assets		-	-

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

Condensed Statement of Changes in Equity for the half-year ended 31 December 2018

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
	\$	\$
Total equity at the beginning of the period	-	-
Profit/(loss) for the period	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	-	-
Transactions with owners in their capacity as equity holders	-	-
Total equity at the end of the period	-	-

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 half-year.

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

Condensed Statement of Cash Flows for the half-year ended 31 December 2018

		Half-year ended 31 December 2018	Half-year ended 31 December 2017
	Note	\$	\$
Cash flows from operating activities			
Net payments from purchase and sale of financial instruments held at fair value though profit or loss		(842,761)	(5,300,919)
Interest received		91,844	40,545
Interest paid		(87,520)	(42,503)
Management fee paid		(174,112)	(107,523)
Performance fee paid		(144,544)	(272,913)
Other expenses paid		(9,825)	(22,706)
Distribution/dividend income		63,896	51,282
Net cash used in operating activities		(1,103,022)	(5,654,737)
Cash flows from financing activities			
Proceeds from unitholder applications	6	1,396,644	4,389,264
Payments for redemptions by unitholders	6	(1,516,167)	(29,682)
Net cash (used in)/provided by financing activities		(119,523)	4,359,582
Net decrease in cash and cash equivalents		(1,222,545)	(1,295,155)
Cash and cash equivalents at the beginning of the period		2,887,177	2,226,850
Effect of foreign currency exchange rate changes on cash and cash equivalents		(261,910)	(65,359)
Cash and cash equivalents at the end of the period		1,402,722	866,336
Non-cash financing activities		-	-

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

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

These condensed financial statements cover the Strategic Global Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme, and was constituted on 3 August 2016, registered as a managed investment scheme on 4 August 2016 and commenced operations on 8 November 2016. These financial statements cover the half-year ended 31 December 2018.

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 11, 20 Hunter Street Sydney NSW 2000.

The Fund typically invests in a concentrated portfolio of a limited number of investments listed on global stock exchanges.

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 interim financial statements.

2. Adoption of New and Revised Accounting Standards**New Standards and Interpretations**

Except as disclosed below, the accounting policies applied in these half-year financial statements are the same as those applied to the Fund's financial statements for the year ended 30 June 2018.

The Fund has changed some of its accounting policies as a result of new and revised accounting standards which became effective for the first time in the current reporting period. The affected policies are:

- AASB 9 Financial Instruments (and applicable amendments)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The adoption of the amendment does not have a significant impact on the recognition, classification and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules does not have a material impact on the Fund.

- AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Fund's accounting policies or the amounts in the financial statements.

Notes to the Financial Statements

3. Basis of Preparation

These interim financial statements have been prepared in accordance with AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International financial reporting standard IAS 34 "Interim Financial Reporting".

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the period ended 30 June 2018 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

These interim financial statements are presented in Australian dollars as the functional and presentational currency of the Fund. All amounts denominated in another currency have been converted to AUD using the relevant spot rate for that currency as at 31 December 2018.

a) Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied to the Fund's financial statements for the period ended 30 June 2018.

4. Investments in Financial Instruments**a) Financial assets held at fair value through profit or loss**

	31 December 2018	30 June 2018
	\$	\$
Designated at fair value through profit or loss		
Investments in listed equities	12,413,695	14,711,779
Total equity securities	12,413,695	14,711,779
Total financial assets held at fair value through profit or loss	12,413,695	14,711,779

b) Fair Value Hierarchy

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis. The Fund has no assets and liabilities measured at fair value on a non-recurring basis in the current reporting period.

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

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

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.

Notes to the Financial Statements

4. Investments in Financial Instruments (continued)

b) Fair Value Hierarchy (continued)

Level 3:

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

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

The following table shows an analysis of financial instruments held at 31 December 2018 and 30 June 2018 recorded at fair value and presented by level of the fair value hierarchy:

	31 December 2018			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets				
Investments in listed equities	12,413,695	-	-	12,413,695
Total financial assets held at fair value through profit or loss	12,413,695	-	-	12,413,695

	30 June 2018			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets				
Investments in listed equities	14,711,779	-	-	14,711,779
Total financial assets held at fair value through profit or loss	14,711,779	-	-	14,711,779

Transfer between levels

There have been no transfers between levels for the half-year ended 31 December 2018.

Broker Facility

Cash held at Interactive Broker is used for settlement of FX. The overall net balance at Interactive Broker is a positive balance as at 31 December 2018.

Disclosed fair values

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

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

	Half-year ended 31 December 2018 \$	Half-year ended 31 December 2017 \$
Unrealised (losses)/gains on financial instruments at fair value through profit or loss	(4,066,429)	796,869
Realised gains on financial instruments at fair value through profit or loss	663,674	127,155
Net (losses)/gains on financial instruments at fair value through profit or loss	(3,402,755)	924,024

Notes to the Financial Statements

6. Net Assets Attributable to Unitholders

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

	Half year ended 31 December 2018		Half year ended 31 December 2017	
	No. of Units	\$	No. of Units	\$
Opening balance	15,454,979	17,476,761	8,722,078	9,059,451
Applications for units by unitholders	1,288,384	1,396,644	4,173,540	4,389,264
Redemptions of units by unitholders	(1,486,507)	(1,516,167)	(27,559)	(29,682)
(Decrease)/Increase in net assets attributable to unitholders	-	(3,561,624)	-	625,690
Closing balance	15,256,856	13,795,614	12,868,059	14,044,723

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 in 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.

7. 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 two months of 30 June. Distributions are expected but not guaranteed. As such a distribution of \$nil was paid to unitholders for the half-year ended 31 December 2018.

8. Related Party Transactions

The responsible entity of the Fund is OMIFL.

a) Management fees paid and payable to the Investment Manager

The investment manager of the Fund is JBS Investments Australia Holding Ltd (ACN 146 553 648) (AFSL 401 869) ("Investment Manager").

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

The Investment Manager charges 1.9065% per annum (inclusive of GST and less any reduced input tax credits) of the gross value of the Fund's assets. As at 31 December 2018, the management fee expense incurred by the Fund was \$159,923 (31 December 2017: \$121,212). The management fee payable at 31 December 2018 was \$28,264 (30 June 2018: \$42,453).

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.

The Investment Manager charges 20.5% 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 31 December 2018, the performance fee expense incurred by the Fund was \$nil (31 December 2017: \$179,375). The performance fee payable at 31 December 2018 was \$nil (30 June 2018: \$144,544).

Notes to the Financial Statements

8. Related Party Transactions (continued)

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 half-year ended 31 December 2018:

- 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 have received any remuneration directly from the Fund in relation to these services and are remunerated out of the Management Fee.

d) Key management personnel

(i) Directors

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

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director (resigned 26 October 2018)
Sarah Wiesener	Executive Director (appointed 26 October 2018) and Company Secretary

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the half-year and as at 31 December 2018.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the half-year.

Key Management Compensation

Key management personnel of the Responsible Entity have not been compensated out of the Fund for the half-year ended 31 December 2018.

(ii) Other Key Management Personnel

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

Name	Title
John Sampson	Chief Investment Officer
Dr Peter Smith	Chief Operating Officer

(iii) Other Key Management Compensation

Key management personnel of the Investment Manager have not been compensated out of the Fund for the half-year ended 31 December 2018.

9. Commitments and Contingencies

There are no commitments or contingencies as at 31 December 2018 (30 June 2018: \$nil).

Notes to the Financial Statements

10. Subsequent Events

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.