KAIZEN GLOBAL
Investments

ANNUAL REPORT 2020

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CHAIRMAN'S LETTER

To my fellow Shareholders,

A tale of two halves.

The first half of 2019-20 continued along familiar lines, with concern over trade tensions dominating, and the markets continuing to accrete as interest rates edged lower.

The onslaught of COVID-19 in the second half of the year has given us an opportunity to reflect on a number of topics, including resilience of supply chains, ability of businesses to 'pivot' to new models, and the multi-year leap forward in technology use in our daily business or home lives. It has also highlighted shortfalls in our ability to manage systemic risk, and the vulnerability of whole sectors (education, aged care, commercial real estate, airlines) as well as segments of the population.

We will likely still be reflecting on government response in a few years' time, from the compelling rush to provide liquidity and reassurance to the economy, as well as the ongoing control of population movement and activity.

The response of central banks to print money has resulted in a dramatic response in certain sectors and assets. Proponents of monetary theory suggest that 'it's different this time'.

Stock markets have been buoyed by zealous individual investors at home with time on their hands.

Recently overheard comments from new entrants to the stock market have echoes of those recalled from 2000, at the height of the dot com frenzy.

Risk

We believe that risk is increasing, not decreasing.

Future risks include uncertainty and potential social unrest around the US election, an escalation of COVID-19 going into the Northern Hemisphere winter, ongoing trade risk between the US and China, and a rise in structural unemployment due to dramatic changes in the way industries function, as well as the risk to commercial real estate and the impact on bank loan books.

It's too early to tell if printing money is the solution. It comes with significant risks of inflation, which may already be showing in signs of accelerating housing prices in the UK and US.

The biggest concern we have is the lack of firepower from reducing interest rates, which we highlighted a year ago. In addition to no longer being a resource to stimulate economic recovery, low bond yields impact the performance of your investment portfolio. Whereas in previous recessions gains in bond values offset equity weakness, Government Bonds have likely lost their ability to act as a hedge in a balanced fund.

Investment Strategy

KGI has the ability to use strategies to protect the downside risk of markets through a combination of holding cash, short selling or using derivatives. The first few months of 2020 reminded us of the value of this 'insurance', which like building or vehicle insurance, is a recurrent expense during stable times.

This strategy of managing downside risk rewarded us in March and April with NTA falling by 7.3% vs the ASX200, for example, falling by 37.6% in the sell-off.

We continue with our declared strategy of investing part of our assets in unlisted companies in Australia, and re-investing the excess cash flows from those businesses back into the fund portfolio.

We remind you of our investment process, namely to identify secular thematic trends, conduct fundamental analysis, identify the companies best placed to benefit/lose out from those tailwinds/headwinds and invest while keeping a close eye on valuation and margin safety.

With regards to valuation, 'Value' stocks relative to 'Growth' are now where they were before the technology crash in 2001. It is a red flag and we are alert to changes.

Investment Process

Our investment process remains committed to deep, fundamental analysis and investing in companies that we think are under-valued and cheap. This takes us off the beaten path and away from the popular names that are in large ETF baskets and increase in price irrespective of valuation.

A reminder of how we invest, a logical, repeatable process.

- Identify investment opportunities
- Complete fundamental analysis
- Quantify Investment thesis
- Consider macro-economic environment
- Determine portfolio weighting
- Maintain selling discipline

Shareholder engagement

As a relatively small investment company, we encourage you to have a direct relationship with KGI, and are open for ongoing discussion throughout the year.

Performance and NTA

In the 2020 financial year the net tangible asset (NTA) value of KGI increased by 4.29%, share capital reduced as part of the buyback, and we have not paid a dividend.

NTA at end June 2020 was at $0.9528 vs $0.9136 at the end of June 2019.

Buy Back

KGI has bought back 85,578 shares, or 2.7% of the issued share capital, over the year.

AGM

We will be contacting you shortly about our annual general meeting – which will provide you with the chance to meet with KGI’s key management personnel, and ask any questions you may have. I look forward to seeing you there**.**

Yours sincerely,

Simon Winfield
13 September 2020

INVESTMENT MANAGER'S LETTER

Dear Shareholders,

This year there are 5 things we'd like to cover in our letter.

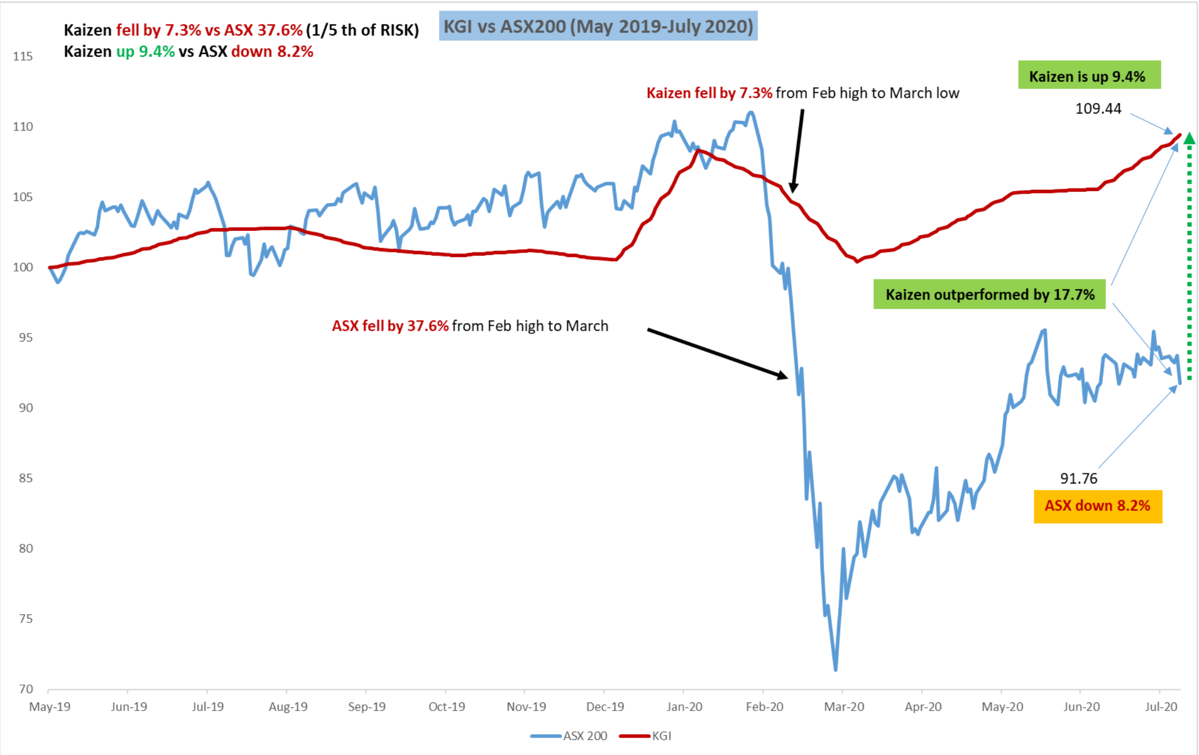
- Past 12 months – how did we do?
- Greatest opportunities in storms
- The hunt for yield – a post Covid-19 (**C-19**) world
- Technology – *'it's different this time'.* Is it?
- Some interesting names in the portfolio

Past 12 months – how did we do?

We had been cautious on markets for a while – and been wrong – but in February and March 2020 our caution suddenly became relevant and warranted. No-one ever knows what will trigger a significant market correction, but there are generally red flags that precede a bear market such as complacency, long-term leadership in a sector/sectors and a prolonged bull market. Bear markets are a certainty; the time of onset is the only question. Investing many years into the longest bull market in history is a bit like ignoring the 1 in 100-year storm event in the 98th year. 98 storm free years have passed without event. That does not mean the risk has gone down. In fact, very few realise that risk has gone UP as a prolonged bull market continues.

The chart below shows the NTA of Kaizen Global Investments (KGI) running into the end of last year against the ASX 200. Notice when the correction came, the ASX fell precipitously, whereas KGI was more resilient (by design).

Chart: KGI vs ASX 200



Source: Kaizen Global investments, ASX 200 rebased to 100 from May 2019

We'd highlight the following points;

1) When the bottom fell out of the market, the ASX 200 index fell 37.6%, KGI fell 7.3%;
2) Central banks 'saved' all the managers/investors with no insurance by pumping in unprecedented amounts of liquidity. Had it not been for that, many funds would, in our opinion, have suffered very serious drawdowns;
3) Had you invested $100 in KGI and the ASX around January 2020, by March 2020 that $100 was worth about $93 in KGI and close to $67 in the ASX 200. To get back to breakeven, the ASX would need to rebound by almost 59% vs only 7.5% at KGI;
4) The latter point is important as it is what we design the portfolio to protect. A sharp correction that would quickly erode value in unprotected portfolios, erasing previous gains; and
5) **KGI had 1/5th of the risk as measured by volatility** i.e. the NTA fell 7.5% vs the ASX 200 falling 37.6% and over the period in the chart KGI delivered a) real, positive return of 9% and b) outperformed the index by 17.7%.

Our goal is to build portfolios that minimise the risk whilst having the highest possible reward.

We believe that some of the greatest investment opportunities come in storms.

The bigger the storm, the better the opportunities. We were ready. Kaizen protected capital well, in our view, as markets fell 30-40%. We had shorts in some areas like travel, in aircraft manufacturers and cruise shipping. These names fell precipitously and provided excellent hedges for the portfolio and company.

As we watched the names on our 'bear market shopping list' pull back towards levels we would be interested in buying them, something unforeseen happened. Central banks injected levels of liquidity at unprecedented levels. Even Warren Buffett and Charlie Munger, who usually receive distressed inbound calls for capital, noted that the phone 'wasn't ringing off the hook'. The +$100bn of firepower that Buffett had amassed, sat there, unused. Companies like Boeing, that would normally have faced an extreme liquidity contraction, were able to access debt markets as the Fed, and others, kept the money machine working.

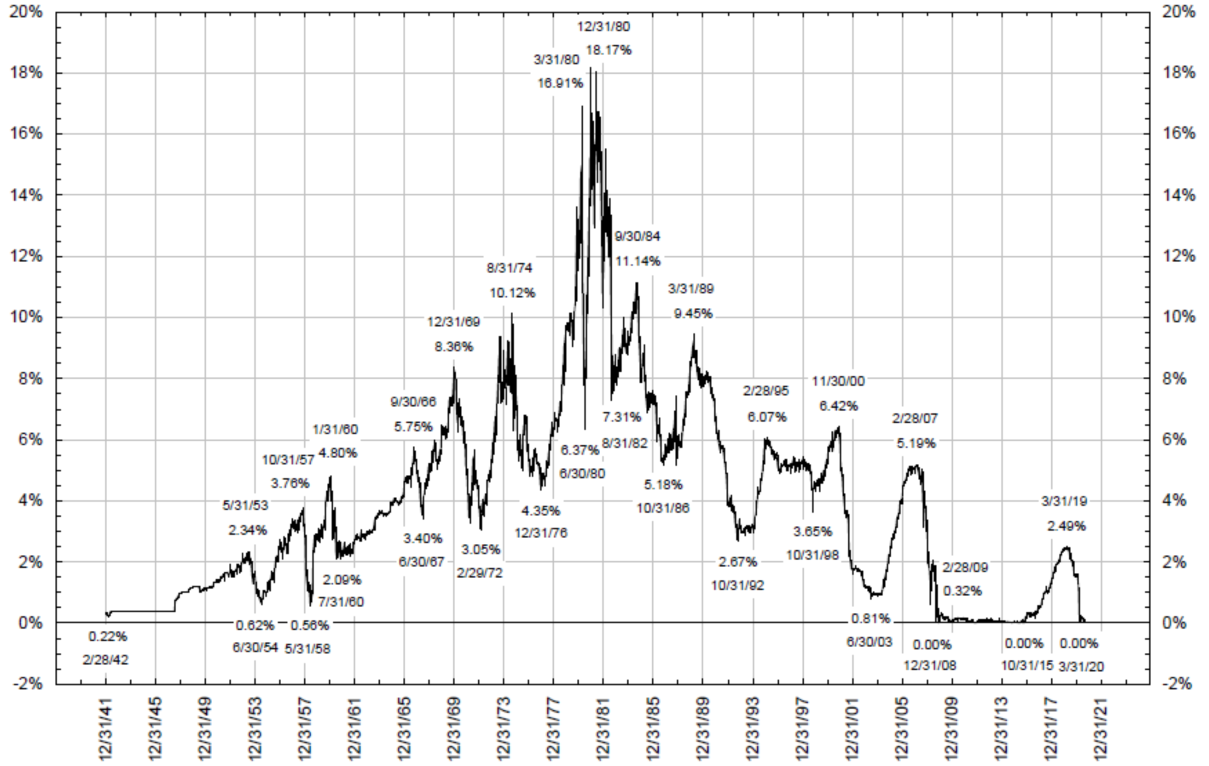
Globally everyone was doing the same thing and we now have record levels of debt and trillions of dollars of 'extra' money in the system (more on that later). Interest rates fell sharply, and we now live in a close to zero interest rate environment in most developed countries (see chart below of the U.S. market).

The hunt for yield

When C-19 struck central banks cut interest rates aggressively, not that there was much to cut as rates had hardly risen since 2008. We believe this 'low rate environment' could last many years and we will operate in a world more like Japan, with structurally low rates, for some time.

There is no decent yield in government paper. Bank deposits pay almost nothing, so what are retirees and savers etc to do? Despite poor fundamentals – we have almost stopped calling certain companies as the outlook is so bleak – stocks recovered. Liquidity from central banks has buoyed markets and there is a dislocation with fundamentals. In the chart below one can see that yields are now close to 0% in the United States.

Chart: 3 Month U.S. treasury bills



Source: Federal reserve

This will create distortions in asset prices if it continues for long enough. If you are a retiree there is no income, to speak of, on your savings to support living (without eating into capital). So this pushes investors up the risk curve into buying blue chip stocks for dividend yield or speculating in things that are going up (e.g. technology).

Technology: Is it *different this time*?

Undoubtedly, technology shifts have been accelerated. Online delivery, cashless society, utilising technology to work remotely (at least for part of the work week) and 'trying' new services and models that might have taken years to investigate.

In the latter's case, we think of travel. The first time someone books a flight or hotel, online, in a non-vanilla location, and it works, there will be no turning back to a travel agent. We think this will be the same for several services. Docusign is one such service – will people go back to paper signatures? Probably not. They have been forced to adopt Docusign. We love Docusign but not the valuation – we need to separate a good company from a good investment – they are not the same if you overpay.

That technology is incredibly interesting is not the issue. These stocks are being bought with **no regard to valuation at all**. If you find yourself saying the following, you already may be part of group think.

i) It's different this time vs dot.com bubble as companies are making money (KGI: Not all of them we'd highlight. If you pay your staff half their compensation in stock, and don't include it in the true cost of running the business, are they making as much money as it seems? The companies then buy back the stock in the market – from the selling employees – with the cash 'earnings' they've made, running down cash balances. That is a real cost, but is forgotten;

ii) It's worked so it will keep working. My millennial friends/children or tradies are all making a fortune buying hot names like fintech (KGI: with zero understanding of valuation);

iii) You don't understand, it's winner takes all. (KGI: In March, when the wheels came off, tech collapsed faster than other sectors. Was it that resilient?);

iv) Fund/Individual has done so well. Many of these funds/individuals we have looked at, are mirrors of NASDAQ, yet have underperformed NASDAQ. It is very important to know when you are in a bull market sector and that you are the bull. Oil is terrible, tech is hot. It's that simple.

Look out for funds that compare themselves to MSCI World etc but should benchmark vs technology indices like NASDAQ – which they do not. NASDAQ has beaten world indices, just like mining names beat world indices in the 'commodities super-cycle' of 2002-2008. In July 2008 oil sold for $145 per barrel at the peak, 12 years later in 2020, for a brief moment, people would pay you to take the oil off their hands. What a difference a few years makes. History rhymes, the bullet proof investment thesis of today, that is widely owned and has done exceptionally well, could well be the disaster of the next decade.

KGI: Finding some interesting names

We, somewhat strangely, have found some interesting technology names that aren't at nosebleed valuations.

Virtual reality (VR) and Augmented reality (AR)

One that we own is trying to solve a big, and expensive, problem for online retailers. Returns. Many shoppers buy 2-3 items and send 2 back – choosing the one that fits. This is a costly problem and companies that can solve this issue could do very well. Whilst we are nervous of the broader market in technology and the 'obvious' names, companies like our investment are off the radar, under-owned and under-covered.

Gold and silver asset collector

We own a specialist asset manager that has a strong presence in creating and selling physical gold/silver ETFs. This isn't a commodity business, in our view. One has to source the metals, store them, have good relationships to scale quickly and has an added benefit of storing the gold in Canada. When Franklin D. Roosevelt signed an executive order in 1933 to ban the ownership of gold in the United States, its neighbour, Canada, turned a blind eye and did not follow.

This asset manager stores its bullion etc in Canada, is almost double the size of the Perth mint, and we believe this makes this company quite unique. Our one fear is that it will be acquired by a large, asset gatherer itself. If we headed a global trillion-dollar fund manager, we'd snap this up for the mere $1bn market cap. it commands today.

If that happened, we would benefit, **but we'd miss the big upside.**

We see this as a scalable platform for the accumulation of gold/silver in a unique way. It's not a pure bet on the price of gold either. Since there is volume*gold price = total $ value of funds under management to consider.

Let's say that gold increased by 10% in value in a year – the dollar value of the funds under administration would linearly grow by 10%. However, volumes could also increase by 10-20%. So the combined dollar asset growth could be 30% (for example). Since the platform has a largely fixed cost base, the incremental margins will fall through to the bottom line at a higher contribution margin.

In English, that means a 10% rise in the gold price, could translate to a 20-30% increase in volumes sold, increasing earnings by 30-50%. This is not fully understood. The company has a $1bn market capitalisation, has recently dual listed in the U.S. market, but due to C-19 has not been able to do extensive roadshows and come onto investors radars.

We continue to work on the company and we are increasingly growing in conviction and increasing our position. On the risk side. If gold/silver etc fall, then the business will be impacted, however, these assets are quite 'sticky' and investors may even consider adding to weakness (helping volumes). Institutions are underweight gold/silver etc as an asset class. Fixed income funds (which dwarf equity funds) are looking for hedges, uncorrelated assets to offset very low yields. Any small allocation into physically backed ETFs could significantly benefit this company.

Private health asset

During C-19 the business, like many service businesses, was forced to temporarily close. Upon re-opening, however, pent up demand has been strong and we remain confident of the business prospects for the future. The tailwinds that are driving anti-aging using technology and pharmaceutical solutions are even stronger than we first thought. We are in the right spot, we need to ensure we continue to execute well and capture the thematic tailwinds.

One, unforeseen, benefit of owning this business is that we are developing deep knowledge of brands, new technologies and pharmaceutical solutions and we believe that we hope will be able to further monetise for KGI shareholders. There are no guarantees, but being in the water has given us a granular and 'coal-face' insight into the demand drivers and rising brands.

Are we bearish, bullish or pragmatic?

We think there is a 25% probability that markets, especially technology, can go parabolic…. before potentially crashing. A further 25% chance that we slip back into the bear market we should have had in February and the middle 50% where markets flatline, bouncing around. Based on this current read, and we reserve the right to change our minds as the facts change, we believe that we a) should be invested b) be nimble and c) have an open mind and no directional bias.

Perhaps the correction in February ended the last bull market and we're now in the next. The only wrinkle is that average bear markets last 18 months on average. This setback was only 1.5 months.

Inflation never came – will it ever?

In the past few years we saw the biggest risk to markets as surprise inflation – we still do – but it never came. The U.S. stock market, and technology stocks in particular, are where the inflation went.

The level of fiat/paper money printing is unprecedented in nominal value. With hindsight one could say, of course it would find its way into the stock market, but that would have been a coin flip. Logic tells us that the price of hard assets in paper monetary terms must go up i.e. for asset inflation to occur. But the deflationary forces of technology, high unemployment and reduction in demand, will weigh on prices.

Ray Dalio wrote about 'beautiful de-leveragings'. We can see a path where all the central banks, who are all in the same money printing boat, having created large amounts of debt (at low interest rates) will seek to create some inflation. Say we had 5% inflation per year for 10 years, if you hold your debt steady, that equates to a reduction, in real terms, of 50% of your debt burden. A de-leveraging. If done well, a beautiful one.

We will keep an open mind and not be fixed in our thinking – that is the key takeaway for you, our investors.

LICs – relationship to NTA and how KGI could be different

Listed investment companies (LICs) should logically trade around their net Asset values (NTA's) because we know, each month, that is exactly what they are worth. This is unlike a private company, where you can estimate the value on the books or private equity investments that have a similar 'book value'. Berkshire Hathaway is probably the largest LIC in the world – it has a book value comprised of its public investments (market to market) and book value of its private investments. Buffett has said that he will aggressively buy back stock if it is around 1.1X book because he believes his book value understates the real value of the assets and the 'float' his insurance businesses have is not properly valued.

His mere threat of a buyback can send the shares soaring, but there's a fundamental capital allocation point that needs highlighting. Berkshire generates cash (substantial) from its privately owned businesses – it then can allocate that cash in one of 5 ways;

1) Invest in its current operations;
2) Invest in acquiring new businesses;
3) Pay a dividend;
4) Buy more listed stocks; and
5) Buy back its stock.

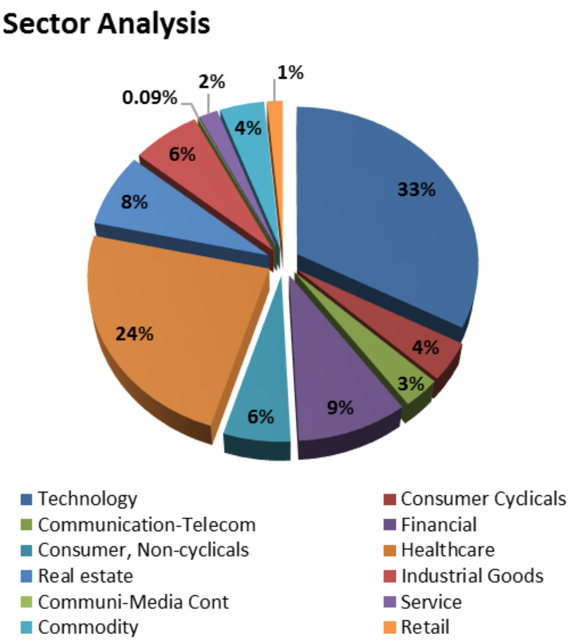
KGI is different to other LICs and more like Berkshire in having a few more options. It currently has one private investment and as that generates cash flows. KGI has the same 5 options listed above. A traditional LIC may only have numbers 3-5. This is important as it can allow KGI to buy back its stock without shrinking the capital in its investments.

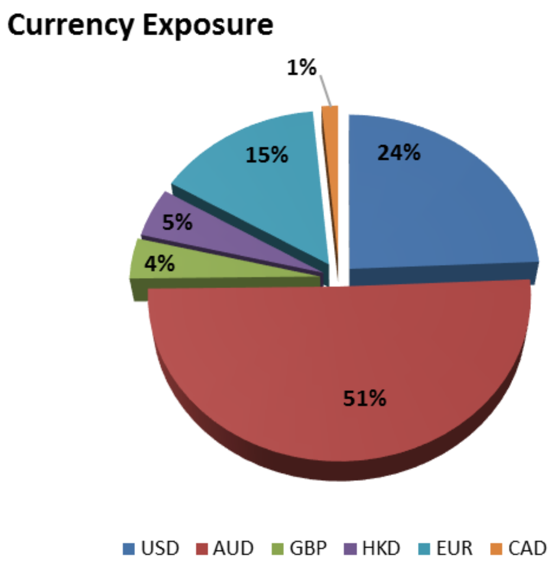
The simple message is that we are laser focussed on compounding NTA per share and minimising operating cost per share – if we can do a good job at doing that, the shares will perform well.

We are still finding interesting investment opportunities and we managed to navigate the sharp correction in February/March quite well – preserving capital. There are no guarantees, but we are focused on growing the company, the value of your (and our) capital and know that we are right alongside you as fellow shareholders every day.

Portfolio positioning

We have invested across multiple countries and sectors as can be seen in the two charts below. We are invested in a combination of long positions, shorts and inflation protection. We believe that the biggest risk to markets is unexpected inflation but also a parabolic move to the upside, which could resolve negatively. We think about capital preservation as much as capital growth at all times.





We believe that the single greatest opportunity for the coming 5-10 years is to invest (i.e. sit tight) and not jump in and out of stocks (trade). We are in a period of enormous change and that brings opportunity. We are optimistic about the long-term and believe that our best days are ahead.

Yours sincerely,

Connor Grindlay

13 September 2020

DIRECTORS' REPORT

Your directors present their annual financial report on Kaizen Global Investments Limited (the **Company** or **KGI**) for the financial year ending 30 June 2020 as required by the Corporations Act 2001 (Cth)(**the Act**) and the NSX Listing Rules. In addition to the financial statements for the year and the notes accompanying those statements, your Directors provide a declaration about those statements and notes.

General information about operations and activities

The Company is listed on the NSX. During the year the Company's Investment Manager continued to implement KGI's investments strategy by investing the Company's capital in global listed securities affected by thematic trends, while paying close attention to valuation and margin of safety. KGI made an investment in unlisted private company in the health space during the year.

We remain focussed on growing our shareholders' post-tax NTA per share in absolute terms. As at 30 June 2020 the NTA post tax valuation was $0.9528 per share. At time of writing the (unaudited) NTA as at 31 July was $0.9869

Principal activities

KGI's principal activities during the year were investing in global listed securities, predominantly equities. There were no significant changes in the nature of those activities during the year.

Financial Position

For the year ended 30 June 2020, the Company recorded a post-tax gain of $115,832 and its net tangible assets (**NTA**) were $2,949,468 after tax, versus $2,890,851 of the previous year. The Company's financial position is set out in its Financial Statements at pages 22 to 40.

Summary of Performance

A summary of the performance since the beginning of the company is shown below.

Years ending 30th of June	2020	2019	2018	2017	2016
Income from deposits	(17,276)	(25,476)	(7,096)	(17,951)	(9,360)
Income from dividends	20,612	22,271	18,188	28,642	28,970
Net changes to net fair value of investments	262,454	(87,890)	26,125	82,279	70,873
Net profit/ (loss) after tax	115,832	(139,826)	(33,674)	938	4,273
Earnings per Share (cents per share)	3.687	(4.419)	(1.064)	0.034	0.184
Total Assets	3,935,448	3,849,204	3,549,113	3,606,647	3,117,750
Total Liabilities	985,980	958,353	518,436	542,296	551,525
Shareholders' Funds	2,949,468	2,890,851	3,030,677	3,064,351	2,566,225
Return on Shareholders' Funds	3.97%	(4.72%)	(1.10%)	0.03%	0.18%
Net Asset backing per share (cents)	95.28	91.36	95.78	96.85	97.18
Shares on issue	3,095,568	3,164,215	3,164,215	3,164,215	2,640,655

After Balance Date Events

There is no matter or circumstance that has arisen since the end of the year that has significantly affected, or may significantly affect: The Company's operations in future financial years; or the results of those operations in future financial years; or the Company's state of affairs in future financial years.

Environmental issues

The Company's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Omissions

The Company has not omitted from this report any prejudicial material that would otherwise be required to be included by law.

Significant Changes

The Directors are not aware of any other events that would have significant impact on the operations of the Company.

Future developments, prospects and business strategies

The Company will continue to pursue its investment objectives for the long-term benefit of its shareholders. This will involve the continued review of its investment strategy, and may, from time-to-time, require some changes to that strategy. To achieve our investment objectives, we intend to invest the majority of the Company's capital (at cost) in global listed shares and to diversify risk by investing in other investments, including unlisted private companies.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments. Accordingly, we do not provide a forecast of the likely results of our activities.

Additional general information

The Company has reported and released to the NSX an unaudited NTA valuation per share each month of the financial year ending 30 June 2020. Each of those monthly valuations is available at the following website: http://www.nsxa.com.au/summary/KGI.

In accordance with Listing Rule 6.9, the Directors further report that, as set out above, the principal activities of the Company are investing in global securities. The Company has no subsidiary entities and does not form part of a group of companies.

The annual accounts for the period do not differ materially from any published forecast made by the Company, of which there was none. None of the Directors are parties to service contracts between them and the Company.

Insofar as contracts of significance are concerned, those described in the Company's Prospectus dated 21 January 2015 remain in place, namely the Investment Management Agreement and the Deeds of Access, Indemnity and Insurance. These are contracts of significance in which the Company's Directors are or were materially interested either directly or indirectly and which subsisted during or at the end of the financial year.

All of the Company's Directors have agreed to waive any emoluments until 30 June 2020. There are no arrangements under which a shareholder has waived or agreed to waive any dividends. Below is a list of KGI's top 10 shareholders and the number of KGI fully paid ordinary shares that they hold.

Shareholder	**Shareholding**	
CLG Investments Pty Ltd	375,305	12.12%
Tom Hale Pty Ltd	366,492	11.84%
Kaizen Capital Pty Ltd	281,755	9.10%
Airthrey Investments Pty	250,000	8.08%
HSBC Custody Nominees	200,000	6.46%
Mr Andre Edmunds & Ms Jenny Nissen	152,356	4.92%
Intermondiale Pty Ltd	150,000	4.85%
MDH Capital Pty Ltd	147,068	4.75%
TSL Future Fund Pty Ltd	105,000	3.39%
Mr Simon Charles Winfield	102,356	3.31%

Shareholder distribution is as follows:

Shareholder Distribution			
Holding	**Number of shareholders**	**Number of shares**	**% Holding**
1-1,000	0	0	0%
1,001-5,000	33	161,849	5%
5,001-10,000	10	93,195	3%
10,001-100,000	20	778,839	25%
100,001 and over	10	2,130,332	67%
Total	73	3,164,215*	100%

*The share registry needs to be updated for the share buyback and cancellation

Dividends

No dividends or distributions were paid to members during the year; and no dividends or distributions were recommended or declared for payment to members, but not paid, during the year.

Options

No options have been granted over unissued shares or unissued interests during or since the end of the year. No options have been granted to any of the directors or any of the 5 most highly remunerated officers of the company (other than the directors); and granted to them as part of their remuneration. As at the day the report is made there are no unissued shares or interests under option. No shares or interests have been issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnities

During the year the Company provided an indemnity to directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of KGI, other than conduct involving a wilful breach of duty in relation to the Company. The content of the insurance policy prohibits disclosure of the nature of the loss or liability indemnified, the indemnity limit or the amount of premium paid. The Company did not provide an indemnity to the auditors.

Directors, Company Secretary and Auditor

The following persons have been a director of the Company at all times during, or since, the end of the year:

- Connor Grindlay – appointed 26 September 2014
- Simon Winfield – appointed 26 September 2014 and re-elected at AGM on 29 November 2019.
- Andre Edmunds – appointed 4 November 2014 and re-elected at AGM on 22 November 2018.

KGI's company secretary at any time during the year was Lisa Grindlay.

For the relevant period, Samir Tirodkar was a director of Stantons International Audit and Consulting Pty Ltd (**Stantons**), that is the auditor of KGI, and was such a director at a time when Stantons undertook an audit of KGI.

Directors

Connor Grindlay, Managing Director and Chief Investment Officer

Qualifications	Masters of Civil Engineering with European Studies, Credit Suisse training program, CFA UK Certificate in Investment Management, and Investment Management and Research (IIMR) Associate examinations.
Experience	Connor Grindlay has been the Managing Director and Chief Investment Officer of KGI since 26 September 2014. He is also the Managing Director and founder of Kaizen Capital Pty Ltd (the Manager or Investment Manager for KGI). Prior to listing KGI, Connor worked with two Australian-based fund managers – 8 Investment Partners and Caledonia Investment (2010 – 2014); Millennium Capital Partners, a New York billion dollar fund (2008); Castlegrove Capital, a London-based global multi-strategy fund (2006 - 2008); and Trafelet, a multi-billion dollar US-based hedge fund (2004 - 2006). Connor also worked as an analyst at WestLB Panmure in London (2002) and cofounded hedgefundcity.com, an online media portal for the global hedge fund industry (2000).

Special responsibilities	As Managing Director of KGI his special responsibilities include making a declaration relating to statutory accounts under s 295A of the Corporations Act 2001. He is a member of the KGI Audit Committee and holds no other directorship in any other listed entities. Connor Grindlay holds 450,306 shares (Directly and through beneficial interests)

Simon Winfield, Chairman

Qualifications	MBA, and Graduate Certificate in Carbon Management.
Experience	Simon Winfield is KGI's Chairman and has been a director since 26 September 2014. He has also been a director of the Manager since October 2009. Prior to joining Kaizen Simon was a director of a NSW-based agricultural technology company; Managing Director / Head of European Equity Sales at Bank of America (2001 – 2003); and in equities research sales at Credit Suisse (1990 – 2001). Simon also worked in UK equities for Grieveson Grant, Grant W Greenwell and UBS until 1990. He started his career in finance in 1979 at the London Stock Exchange.
Special responsibilities	As Chairman of KGI, Simon's special responsibilities include reporting to members and conducting shareholder meetings, acting as Trading Officer and as a member of the Audit Committee. He holds no other directorships in other listed entities. Simon Winfield holds 157,356 shares (Directly and through beneficial interests).

Andre Edmunds, Non-Executive Director

Qualifications	Bachelor of Aeronautical Engineering (Honours), Member of the British Computer Society, and Chartered IT Professional in Program and Project Management.
Experience	Andre Edmunds is KGI's sole Non-Executive Director, and has been a director since 4 November 2014. He has been a director of a consultancy and executive advisory service company since March 2007; was a Member of the Australian Institute of Project Management (2006-2011); and performed the role of BCS Assessor for Membership Status (2009 and 2010).

Andre has experience in software development and pre-sales, project management, transformation, turnaround/rescue and mobilization programs. He has consulted to executive boards of small, medium and large companies, and government organisations. He has worked with AMP General Insurance, CSC Australia, Deloitte UK, Barclays, Toyota, Volkswagen, Cazenove Capital Management, Orange Sweden, Hutchison 3G, VirginMedia, Optus, Telstra, Downer, Foxtel, News Ltd, and Transport for NSW.

Special responsibilities

As a KGI director, Andre's special responsibilities include membership of the Board of Directors and Audit Committee. He holds no other directorships in any other listed entities.

Andre Edmunds holds 162,356 shares (Directly and through beneficial interests).

Meetings of the Board of Directors

During the financial year, the following board meetings were held:

	Eligible to attend	Attended
Connor Grindlay	3	3
Simon Winfield	3	3
Andre Edmunds	3	3

Board members have been in regular contact during the Covid-19 pandemic and discussed investment strategy, the operating business and have considered other acquisitions. These have not been recorded as formal board meetings but it is important to understand that there is considerably more board level activity than meetings.

Meetings of the Audit and Risk Committee

The committee met once during the period with all three directors eligible to attend, and all three attended.

Company Secretary

Lisa Grindlay BA, LLB (Hons) is the Company Secretary and was at all times during the period. Lisa has over 15 years of legal experience, gained as both a solicitor and barrister. She has been company secretary for KGI since September 2014, and for Kaizen Capital since October 2009.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is committed to maintaining high standards of safety, performance and corporate governance for the Company and any entities it may control. To foster good corporate governance, the Company has developed a set of core values and behaviours that underpins its activities and ensures transparency, fair dealing and protection of the interests of all stakeholders – including shareholders, personnel, suppliers and communities – with which it operates.

Below is a summary of the Company's full Corporate Governance Statement, which is available on the Company website.

Board of Directors

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board takes advice from the Audit Committee on matters within its Charter, however the Board retains final decision-making authority on those matters.

The Board will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the and procedures outlined in the Company's Constitution and the *Corporations Act.*

The Company's constitution requires one third of the Directors to retire at each Annual General Meeting. The Director(s) who retire under this rule are those who have held office the longest since last being elected or appointed. This rule does not apply to the Managing Director.

The Chairman leads the Board and has responsibility for ensuring that the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

Executive and Non-Executive Directors

The Company currently has two Executive Directors - the Managing Director and Chairman. The Board believes that the benefits to shareholders of a separate, independent Non-Executive Chairman, CEO and CFO does not outweigh the disadvantage of the real or perceived divergence of command and the additional remuneration and administrative expenses involved. However, the Board will periodically review whether it would be more appropriate to appoint an independent Non-Executive Chairman, CEO and CFO.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. The Board currently has one Non-Executive Director. The Board as a whole is satisfied that the Non-Executive Director brings an independent discretion to his deliberations, unaffected by the executive status of the Chairman.

Meetings of the Board

The Board holds regular meetings, and holds additional meetings whenever necessary to deal with specific matters requiring attention. Directors' circulatory resolutions are also utilised where appropriate either in place of or in addition to formal Board meetings. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

Conflicts of Interest

To ensure that Directors are at all times acting in the interests of the Company, Directors must disclose to the Board actual or potential conflicts between the interests of the Director and those of the Company; and if requested by the Board, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest, then the Director must absent himself from the room when Board discussion and/or voting occurs on matters to which the conflict relates (unless the law allows otherwise).

Related-Party Transactions

Related-party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the NSX Listing Rules. Unless there is an exemption from the requirement to obtain shareholders' approval for the related-party transaction, the Board may not approve the transaction. The Company will also disclose related-party transactions in its Annual Report as required under the Corporations Act and relevant Accounting Standards.

Share Dealings and Disclosures

The Company has adopted a Share Trading Policy, which applies to Directors and employees of the Company and contractors who have agreed to be bound by the policy. The policy is designed to explain the type of conduct in relation to dealings in the Company's securities that is prohibited under the relevant law and by the Company, including insider trading; and establish a procedure for buying, selling or otherwise dealing in the Company's securities.

Independent Professional Advice

Subject to prior approval by the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as a Director.

Audit Committee

The Audit Committee has a formal charter to prescribe its objectives, duties and responsibilities, access and authority, composition, membership requirements of the Committee and other administrative matters. It has an audit oversight function, with key responsibilities being to review and approve the audited annual and auditor reviewed half-yearly financial reports, to review reports from management and matters related to the external auditor and a risk management function. The Audit Committee currently comprises all members of the Board.

CEO and CFO Declarations

The Company has a Managing Director and the Board has determined that (pursuant to section 295A(3) *Corporations Act*) the Managing Director is the appropriate person to make the CEO/CFO equivalent declaration in relation to the Company's financials.

External Auditor

The Company's external auditor is selected for its professional competence, reputation and the provision of value for professional fees. The external Auditor attends the Company's AGMs (in person or by teleconference) and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

Continuous Disclosure to NSX

In accordance with the law, the Company continuously notifies the NSX of information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. A reasonable person is taken to expect information to have a material effect on the price or value of the Company's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Market and Shareholder Communications

Shareholders own the Company. Increasing shareholder value is the Company's key mission. Shareholders require an understanding of the Company's operations and performance to enable them to be aware of how that mission is being fulfilled. The Directors are the shareholders' representatives. In order to properly perform their role, the Directors must be able to ascertain the shareholders' views on matters affecting the Company.

The Board therefore considers it paramount to ensure that shareholders are informed of all major developments affecting the Company and have the opportunity to communicate their views on the Company to the Board. Information is communicated to shareholders and the market through various means including the Company's website and social media presence, emails and notifications, and the NSX website.

Risk Committee

As a consequence of the size and composition of the Company's Board, the Board does not have a stand-alone Risk Committee. However, the Company's Audit Committee has an important risk management and compliance function, with key responsibilities being to ensure that an appropriate risk management framework is in place and is operating properly and reviewing and monitoring legal and policy compliance systems and issues.

Internal Audit

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, the expense of an independent internal auditor is not considered to be appropriate.

Remuneration Committee

Due to the nature and size of the Company, the Board does not currently have a Remuneration Committee with a remuneration and nomination function.

Equity-Based Remuneration Scheme

The Company does not have an Employee Share Option Plan (**ESOP**) and has not issued equity-based remuneration (including shares and options) to Directors or Senior Management.

REMUNERATION REPORT (AUDITED)

The board's policy for determining, or in relation to, the nature and amount of remuneration of the key management personnel for the Company was set out in the Company's Prospectus dated 21 January 2015 (Section 6.10), and remained unchanged during the year. Such policy states that the KGI directors will be entitled to receive a maximum total remuneration (including superannuation) of up to $75,000 per annum to be divided amongst them in such proportion as they agree. However, the directors agreed to waive any fee that they would otherwise be entitled to until the 30 June 2020.

The board's remuneration policy is designed to keep the Company's operating costs down, and there is no relationship between the policy, and each member of the key management personnel for the Company and the Company's performance.

None of KGI's key management personnel receive remuneration, which consists of KGI securities in satisfaction of performance of their duties. Nor is their remuneration related to performance.

The Company's last annual general meeting (**AGM**) was held on 29 November 2019 and there was no discussion or any questions asked about the remuneration report considered at that AGM. The resolution in relation to the remuneration report for the financial year ending 2020 was passed on a show of hands with the requisite number of votes.

Details of remuneration for year ended 30 June 2020

The Company has three directors and one company secretary. Details of the remuneration for each officer of the Company was as follows:

2020	**Salary & fees $**	**Superannuation contributions$**	**Other $**	**Total $**
Connor Grindlay	Nil	Nil	Nil	Nil
Simon Winfield	Nil	Nil	Nil	Nil
Andre Edmunds	Nil	Nil	Nil	Nil
Lisa Grindlay	Nil	Nil	Nil	Nil
Total	$ Nil	$ Nil	$ Nil	$ Nil

Securities holdings – ordinary shares

Number of shares personally held by directors and company secretary:

	Balance 30/06/19	Received as remuneration	Options exercised	Other changes	Balance 30/06/20
Connor Grindlay	50,001	Nil	Nil	None	50,001
Simon Winfield	102,356	Nil	Nil	None	102,356
Andre Edmunds	5,000	Nil	Nil	None	5,000
Lisa Grindlay	25,000	Nil	Nil	None	25,000
Total	182,357				182,357

Number of shares in which directors have a joint or beneficial interest

	Balance 30/06/19	Received as remuneration	Options exercised	Other changes	Balance 30/06/20
Connor Grindlay	375,305	Nil	Nil	None	375,305
Simon Winfield	55,000	Nil	Nil	None	55,000
Andre Edmunds	157,356	Nil	Nil	None	157,356
Total	587,661				587,661

Securities holdings - options

The combined number of options held personally, jointly and/or beneficially by the directors and company secretary. There were no options held by the directors and company secretary in the financial year to 30 June 2020.

No options were granted to the Directors as part of their remuneration. No shares or interests have been issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests. No shares or interests in shares were issued as a result of exercise of options.

Auditor

The auditor's independence declaration for the year ended 30 June 2020 has been received and may be found on page 41 of this report.

Non-audit services and auditor independence

No amounts were paid or payable to the auditor for non-audit services provided, during the year, by the auditor (or by another person or firm on the auditor's behalf).

DIRECTORS' DECLARATION

The above Directors' Report dated 13 September 2020 has been made in accordance with a resolution of the board of directors made on 13 September 2020 and is signed by:

CONNOR GRINDLAY
Managing Director

13 September 2020

SIMON WINFIELD
Chairman

13 September 2020

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR YEAR ENDED 30 JUNE 2020

	Note	2020	2019
Income/(loss) from deposits	4	(17,276)	(25,476)
Income from dividends	4	20,612	22,271
Net changes to net fair value of investments	5	262,454	(87,890)
Total income/(loss) from ordinary activities		**265,790**	**(91,095)**
Administration expenses	6	(100,594)	(107,968)
Operating profit/(loss) before income tax		**165,196**	**(199,063)**
Income tax charge relating to ordinary activities	7	(49,364)	59,237
Profit/(loss) attributable to members of the company		**115,832**	**(139,826)**
Other comprehensive income for the financial year			
- Items that may be reclassified to profit and loss			
Items that will not be reclassified to profit and loss			
Other comprehensive income for the financial year			
- Items that may be reclassified to profit and loss			
- Items that will not be reclassified to profit and loss			
- **Total comprehensive income/(loss) for the financial year**		**115,832**	**(139,826)**
Overall operations			
Basic earnings per share (cents per share)	13	3.687	(4.419)
Diluted earnings per share (cents per share)	13	3.687	(4.419)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

ASSETS	**Note**	**2020 $**	**2019 $**
Cash and cash equivalents	8	754,062	945,267
Trade and other receivables	9	27,602	17,884
Financial assets	10	3,033,961	2,753,109
Total Current Assets		3,815,625	3,716,260
Property, Plant & Equipment		4,783	-
Deferred tax assets	11	115,040	132,944
Total Non-Current Assets		119,823	132,944
TOTAL ASSETS		**3,935,448**	**3,849,204**
LIABILITIES			
Trade and other payables	12	63,554	146,143
Financial liabilities	10	854,706	775,950
Total Current Liabilities		918,260	922,093
Deferred tax liabilities	11	67,720	36,260
Total Non-Current Liabilities		67,720	36,260
TOTAL LIABILITIES		**985,980**	**958,353**
NET ASSETS		**2,949,468**	**2,890,851**
EQUITY			
Issued capital	14	3,029,837	3,087,052
Accumulated losses		(80,369)	(196,201)
TOTAL EQUITY		**2,949,468**	**2,890,851**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 30 JUNE 2020

	Issued capital	Accumulated losses	Total
2020	**$**	**$**	**$**
Balance at 1.07.2019	3,087,052	(196,201)	2,890,851
Issued (net of costs)	-		-
Share buyback (net of costs)	(57,215)		(57,215)
Total comprehensive profit for the year		115,832	115,832
Balance at 30.06.2020	**3,029,837**	**(80,369)**	**2,949,468**
2019			
Balance at 1.07.2018	3,087,052	(56,375)	3,030,677
Issued (net of costs)	-	-	-
Total comprehensive profit/(loss) for the year	-	(139,826)	(139,826)
Balance at 30.06.2019	**3,087,052**	**(196,201)**	**2,890,851**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest (paid)/received		10,500	(3,789)
Dividends Received		20,486	22,220
Payments to suppliers		(126,005)	(77,609)
Net cash (used in) operating activities	17	**(95,019)**	**(59,178)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases to acquire financial assets		(1,567,282)	(881,607)
Sales of Financial Assets		1,520,615	1,307,987
Purchase of fixed assets		(5,899)	-
Net cash provided by/(used in) investing activities		**(52,566)**	**426,380**
CASH FLOWS FROM FINANCING ACTIVITIES			
Share buyback	14	(71,678)	-
Net cash provided/(used in) by financing activities		**(71,678)**	**-**
Net increase /(decrease) in cash held		**(219,263)**	**367,202**
Cash at beginning of year		945,267	543,132
Effect of Exchange Rate Changes		28,058	34,933
Cash at end of year	8	**754,062**	**945,267**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDING 30 JUNE 2020

1. INCORPORATION AND ACTIVITIES

Kaizen Global Investments Limited (**the Company**) is an NSX Listed Investment Company (**LIC**) incorporated under the *Corporations Act 2001*(**the Corporations Law**) on 26 September 2014. The principal activity of the Company is to generate long-term capital appreciation while preserving capital. The Company invests substantially in global listed equities. Kaizen Capital Pty Limited is the investment manager of the Company (**the Investment Manager**). The financial statements presented are for the year ended 30 June 2020. The comparatives stated are for the year to 30 June 2019.

2. BASIS OF PREPARATION

The Financial Statements are general purpose financial statements which have been prepared in accordance with the Corporations Law and Accounting Standards and Interpretations, and other laws that apply to Accounting Standards including Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS). All Amounts are presented in Australian dollars unless otherwise noted.

The Financial Statements of the Company for the year ended 30 June 2020 were approved by the Directors on 13 September 2020.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company has reviewed the new accounting standards, including AASB 16 and has assessed them to have no impact.

(a) Financial instruments

Financial instruments are classified as financial assets and financial liabilities at FVTPL in accordance with IAS 39" Financial Instruments: Recognition and Measurement". The category of financial assets and financial liabilities at fair value through profit or loss is sub-divided into:

- Financial instruments held-for-trading: Financial assets held-for-trading include equity securities and derivatives. These assets are acquired principally for the purpose of generating a profit from active trading and short-term fluctuation in price. All derivative instruments are classified as held-for-trading. Derivative financial instruments entered into by the Company do not meet the hedge accounting criteria. Consequently, hedge accounting is not applied by the Company.

- Financial instruments designated as at FVTPL upon initial recognition: These include equity securities and debt instruments that are not held-for-trading. These financial assets are designated on the basis that they are part of a 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 Company. The financial information about these financial instruments is provided internally on that basis to the Investment Manager and to the Board of Directors.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. Loans and receivables in the financial statements comprise of balances with banks.

Recognition and Measurement

Financial assets and financial liabilities are initially recognised at cost, being the fair value of the consideration given. All transaction costs for such instruments are recognised in the statement of profit and loss and other comprehensive income. After initial recognition, these investments are remeasured at fair value with both realised and unrealised gains and losses recorded in the statement of profit and loss and other comprehensive income in "income from financial assets and financial liabilities at FVTPL".

Loans and receivables that are not quoted in an active market are stated at original invoice amount less an allowance for any impaired amounts. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the carrying amount of the financial asset or liability.

Trade Date

All "regular way" purchases and sales of financial assets are recognised on the trade date, i.e. the date the Company commits to purchase or sell the asset.

Realised gains and losses on investments are calculated by reference to the net proceeds received on disposal and the average cost attributable to those investments. Unrealised gains and losses are calculated by reference to the fair value and average cost attributable to those investments.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

i. the rights to receive cash flows from the asset have expired;

ii. the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay the cash flows received in full without material delay to a third party under a 'pass through' arrangement;

iii. the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities at FVTPL is determined by reference to quoted market bid prices for financial assets and ask prices for financial liabilities at the close of business on the statement of financial position date.

Impairment

The Company assesses at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the toss is recognised in profit or loss as a credit loss expense.

(a) Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise of balances with banks, which have original maturities of less than ninety days. Cash and cash equivalents are short-term highly liquid assets that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(b) Accrued expenses

Liabilities are recognised for amounts to be paid in the future for services received, whether billed or not. Accrued expenses are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

(c) Functional and presentation currency

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into $AUD at the rate of exchange prevailing at the statement of financial position date. Any gains or losses on translation of monetary assets and liabilities are taken to Recognition and Measurement.

Translation gains or losses on investments at FVTPL are included in the statement of comprehensive income under net charges on financial assets and financial liabilities at FVTPL.

(d) Interest income and expense

Interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

(e) Dividend income

Dividend is recognised when the right to receive the dividend is established.

(f) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. Income and expenses are offset in the statement of profit and loss and other comprehensive income when it reflects the substance of the transaction or other event.

(g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Unless included in the effective interest calculation, fees and commission expenses are recognised on an accrual basis. Legal and audit fees are included within ‘general and administrative expenses’.

(h) Net assets attributable to holders of Participating Shares

AASB 9 *"Financial Instruments: Presentation" requires entities that issue financial instruments to classify such instruments as liabilities or equity in accord*ance with the substance of the contractual arrangement and the definitions contained within AASB 32 of a financial liability and equity instrument.

The issued by the Company provide the participating shareholders with the right to redeem their shares for cash equal to their proportionate share of the net asset value of the Company. Also, the private placement memorandum ("PPM") allows the Company to issue multiple classes of shares with varying terms on fees and redemption. As such, within the context of AASB 9, the Participating Shares issued by the Company are classified as financial liabilities.

(i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

Where the Company has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception provided in AASB 13 to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(j) Significant accounting judgments and estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Functional currency

The primary objective of the Company is to generate returns in Australian Dollars ("AUD"), The operation of the Company is managed on a day-to-day basis in AUD. The Company's performance is evaluated in AUD. Therefore, the management considers the AUD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Estimates and assumptions

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below. The Company based its estimates and assumptions on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

The Company's investment in contract for difference requires inputs to the models in order to estimate the fair value of these financial instruments. The valuations of these instruments are provided by the broker considering liquidity and other inputs such as credit risk, correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position. The Directors and management believe that the estimates utilised in arriving at the fair value of these financial instruments are reasonable and prudent; however, actual results could differ from these estimates.

	2020	**2019**
	$	**$**
NOTE 4: OPERATING PROFIT BEFORE INCOME TAX EXPENSE		
Income from deposits		
Interest expenses	(17,276)	(25,476)
Total income from deposits	**(17,276)**	**(25,476)**
Income from Dividends		
Dividends income	20,612	22,271
Total Income from Dividends	**20,612**	**22,271**
Total revenue	**3,336**	**(3,205)**
Interest expenses includes the borrowing cost on short sales		
NOTE 5: NET CHANGES TO NET FAIR VALUE OF INVESTMENTS		
Realised gain/(loss)	36,720	(208,743)
Unrealised gain/(loss)	225,734	120,853
	262,454	**(87,890)**
NOTE 6: ADMINISTRATION EXPENSES	**2020**	**2019**
Accountancy fees	2,200	12,647
Annual Meeting Expense	750	774
Auditor's remuneration	14,077	16,830
License fee	2,500	1,033
Management fee	46,104	44,982
Performance Fee	-	-
Share registry fees	15,372	15,657
Tax Preparation Fee Expense	2,400	2,400
Insurance	10,916	10,470
Compliance	1,308	1,308
Register Fee	3,600	1,333

Fixed assets depreciation	1,117	-
Other expenses	250	534
Total administration expenses	**100,594**	**107,968**
NOTE 7: INCOME TAX EXPENSE		
	2020	**2019**
The components of tax expense comprise	**$**	**$**
Increase in current tax liabilities – other		
Decrease in deferred tax liabilities	(31,461)	3,763
(Decrease)/Increase in deferred tax assets - other	(17,903)	55,474
	(49,364)	**59,237**

NOTE 8: CASH AND CASH EQUIVALENTS	**2020 $**	**2019 $**
Cash at bank	754,062	945,267
	754,062	**945,267**

All cash investments are invested with Authorised Deposit Taking Institutions. Only part of the deposits is guaranteed by the Commonwealth of Australia. The credit risk exposure of the company in relation to cash and cash equivalents is the carrying amount and any unpaid accrued interest.

NOTE 9: TRADE AND OTHER RECEIVABLES	**2020 $**	**2019 $**
Dividends receivable	472	345
Prepaid expenses	267	11,261
Interest receivable - bonds	10,500	-
Treasury Shares	14,463	-
Due from Brokers	-	3,162
Other receivables	0	-
Goods and services tax refund	1,901	3,116
	27,603	**17,884**

Receivables are non-interest bearing and unsecured. The credit risk exposure of the company in relation to receivables is the carrying amount. At the reporting date none of the trade and other receivables are past due.

NOTE 10: FINANCIAL ASSETS	**2020**	**2019**
Financial assets held at fair value through the statement of profit or loss	3,033,961	2,753,109

Financial Assets are Exchange-traded securities (equities and options) and investments in non-listed securities (equities and bonds). The credit risk exposure of the company in relation to Financial Assets is the carrying amount.

Financial liabilities held at fair value through the statement of profit or loss		
Measured at fair value through profit or loss	854,706	775,950

NOTE 11: DEFERRED TAX ASSET AND LIABILITIES	2020	2019
The deferred tax asset is made up of the following estimated tax benefits		
- Tax losses	115,040	129,998
- Temporary differences	-	2,946
	115,040	**132,944**
Deferred tax liabilities attributable to:		
- Temporary differences		-
- Deferred capital gains tax	67,720	36,260
	67,720	**36,260**

	2020	2019
NOTE 12: TRADE AND OTHER PAYABLES		
Interest	2,213	1,892
Accrued Dividends – Short	-	721
Management fee payable	41,591	34,863
Administration fees payable	3,461	2,200
Tax Preparation fees payable	2,456	2,531
Audit fee payable	8,917	8,256
Listing Fees Payable		-
Due to Broker	-	94,731
Other payables	4,916	949
	63,554	**146,143**

NOTE 13: EARNINGS PER SHARE		
	2020	**2019**
Weighted average number of ordinary shares used in the calculation of basic earnings per share	3,142,002	3,164,215
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares used in calculation of dilutive earnings per share	3,142,002	3,164,215
	$	**$**
Profit/(Loss)attributable to members of the company	115,832	(139,826)
	Cents	**Cents**
a. Basic earnings per share	3.687	(4.419)
b. Diluted earnings per share	3.687	(4.419)

NOTE 14: ISSUED CAPITAL

Shares				
Movements in issued capital of the company during the financial year were as follows:				
Date	**Details**	**Ordinary Shares**	**Price**	**Issued Capital**
2020		**No.**	**$**	**$**
01.07.19	Balance	3,164,215		3,087,052

	New issues	-	-	-
	Share buyback	(68,647)	0.833*	(57,215)
30.06.20	**Balance**	**3,095,568**		**3,029,837**
2019				
New issues	-	-	-	-
30.06.19	**Balance**	**3,164,215**		**3,087,052**

The share buyback is ongoing; we have bought back another 16,931 shares for $14, 463 ($0.8542 average price per share) and that will be cancelled in due course.

All ordinary shares rank equally for all purposes of participation in profits or capital of the company. No Options have been exercised in the financial year. Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and does not calculate a par value for issued shares.

Options	
No options were issued in the year	

NOTE 15: AUDITOR'S REMUNERATION	**2020**	**2019**
Remuneration of the auditor of the company for:	**$**	**$**
- auditing and reviewing the financial reports	14,077	15,000
NOTE 16: SEGMENT REPORTING		
(a) Description of segments		
The Board makes the strategic resource allocations for the Company. The Company has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.		
The Board is responsible for the Company's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.		
(b) Segment information provided to the Board		
The internal reporting provided to the Board for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards.		
The Board considers the Company's net asset backing per share after tax to be a key measure of the Company's performance.		
	Cents	**Cents**
Net asset backing per share	95.28	91.36

NOTE: 17 CASH FLOW INFORMATION	2020	2019
a. Reconciliation of cash flow from operations with profit after income tax	**$**	**$**
(Loss)/Profit after income tax	115,832	(139,826)
Realized foreign exchange losses	(11,486)	-
Changes to net fair value of investments (excluding cash costs)	(262,454)	87,890
(Increase)/decrease in trade and other receivables	1,582	21,154
Increase/(decrease) in trade payables and accruals	12,143	30,841
(Increase)/decrease in taxes	49,364	(59,237)
Cash flow from operations	**(95,019)**	**(59,178)**

NOTE 18: RELATED PARTY TRANSACTIONS

Transactions with related parties.

Related Party	Ordinary Shares
Kaizen Capital Pty Ltd atf Kaizen Capital Recapitalization Fund I	305,000
Director: Connor Grindlay	50,001
CLG Investments Pty Ltd	375,305
Lisa Grindlay	25,000
Director: Simon Winfield	102,356
Jennifer Winfield	50,000
Georgia Winfield	5,000
Director: Andre Edmunds	5,000
Edmunds SMSF	152,356
Jenny Nissen	5,000

Kaizen Global Investments paid $42,780 in management fees to Kaizen Capital Pty Ltd. Kaizen Capital Pty Ltd is a related party of Connor Grindlay.

NOTE 19: CAPITAL AND RISK MANAGMENT

Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors is responsible for overall management of these risks. The Investment Manager's objective is to assess, continuously measure and manage the risks of the portfolio, according to the investment objective; the investment policy and the overall risk profile of the Company.

The nature and extent of the financial instruments outstanding at the statement of financial position date and the risk management policies employed by the Company are discussed below.

(a) Market risk

Market risk arises from fluctuations in equity prices, interest rates and foreign exchange rate.

(i) Price risk

All investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Company's overall market positions are monitored on a regular basis by the Company's Investment Manager.

The Company's financial assets and financial liabilities at FVTPL are susceptible to market price risk arising from uncertainties about future prices of the instruments.

Price risk sensitivity

The Manager's best estimate of the impact on operating profit and shareholders' equity due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the following table. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite, impact.

Financial assets at FVTPL	**% Change in market price**	**Impact on operating profits/Shareholders equity AUD**	**Impact in % on operating profits/Shareholders equity**
Market indices			
FTSE 100 Index	5%	6,484	0.28%
S&P 500	5%	40,015	1.74%
Hang Seng Index	5%	6,125	0.27%
S&P/ASX 200	5%	56,862	2.48%
Canada	5%	1,236	0.05%
Sweden	5%	(1,662)	-0.07%
Euro	5%	6,388	0.28%
Total change if all indices moved	5%	**115,449**	**5.03%**

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of the financial instruments. The Company is exposed to interest rate risk only on its balances with banks.

The sensitivity of the Company's profit or loss for the year and the net assets attributable to holders of Participating Shares to a reasonably possible increase in interest rates by 25 basis points, with all other variables held constant would have resulted in increase in interest income by AUD 1,885.

A decrease by 25 basis points would result in an equal but opposite effect on interest income to the figure shown above, on the basis that all other variables remain constant.

(iii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument denominated in foreign currencies may be affected favourably or unfavourably by fluctuations in currency rates.

The table below indicates the currencies to which the Company had significant exposure at 30 June 2020. The analysis discloses the Investment Manager's best estimate of the effect of a reasonably possible movement of 5% weakening of the Australian dollar against the listed currencies held, with all other variables held constant on the operating profits/Shareholders equity.

Net currency holding	% change in Australian dollar	Impact on operating profits/AUD
CAD	5%	2,247
EUR	5%	3,671
GBP	5%	8,527
HKD	5%	7,307
MYR	5%	11
SEK	5%	(1,231)
USD	5%	45,350

A strengthening of the Australian dollar by 5% would be expected to have an equal but opposite effect to the table.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company invests its assets in investments that are traded in an active market and can be readily disposed of. The Company's quoted securities are considered readily realisable. The Investment Manager monitors the Company's liquidity position on a daily basis. Credit and liquidity risks are measured prior to making an investment and during the holding period, and is reviewed whenever risk parameters might change or be impacted by internal or external events.

(i) Maturities of non-derivative financial liabilities

	Less than 1 MONTH	**1-6 MONTHS**	**6-12 MONTHS**	**Over 12 MONTHS**	**TOTAL**
30-Jun-20	**$**	**$**	**$**	**$**	**$**
Payables	63,554	-	-	-	63,554

Contractual cash flows (excluding derivatives)	63,554	-	-	-	63,554

(ii) Fair value Tier 1-3 asset profile

$	Tier 1	Tier 2	Tier 3	Total
Assets	1,983,299	415,663	635,000	3,033,962

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge a financial obligation and cause the other party to incur a financial loss. The main concentration of credit risk, to which the Company is exposed, arises from cash and cash equivalents and amounts due from brokers balances. None of these assets are impaired or past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount disclosed in the Statement of Financial position.

The Company has a policy to maintain balances with reputed banks and brokers to minimise the counterparty risk. Credit risk is measured by the Investment Manager prior to making an investment and during the holding period, and is reviewed whenever risk parameters might change or be impacted by internal or external events.

Substantially all of the assets of the Company are held by the custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the custodian the Company uses.

The Standard and Poor's credit rating on the company's counterparties as 30 June 2020 are:

- Interactive Brokers LLC: BBB+ Outlook Positive
- St. George bank Ltd (Westpac Group): Aa3/Stable/P-1 by Moody's Investors service

(d) Capital Management

The Company's objective in managing capital and investment is to maximize compound after-tax returns for shareholders by investing in a predominantly global equity portfolio. The Company recognises that its capital position and market price will fluctuate with market conditions, and in order to adjust the capital structure it may vary the amount of dividends paid, issue new shares or options from time to time or buy back its own shares.

A breakdown of the Company's equity and changes in equity during the current year is provided in note 14: Issued capital.

NOTE 20: DIRECTORS AND EXECUTIVES' DISCLOSURE

In accordance with the *Corporations Amendments Regulation* 2005 (No. 4) the Company has transferred the disclosure required by AASB 1046 from the notes to the Financial Statements to the Directors' Report under the heading 'Remuneration Report'.

NOTE 21: SUBSEQUENT EVENTS

The company announced on July 16th 2019 its intention to implement an on-market buy-back program (Buy-back) of up to 10% of the Company's shares within the 10/12 limit permitted by the Corporations Act, 2001 (Cth) (Act). This is ongoing. It has continued to purchase and cancel shares over the year. Subsequent to the 30 June 2020, the company received a cash payment of $153,967 from the private company holding. This cash will be used to pay down part of the loan used to invest in the private operating company.

DIRECTORS' DECLARATION

In accordance with the resolution of directors of Kaizen Global Investments Limited, the directors of the Company declare that:

1. the financial statements and notes, as set out on pages 26-44, are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards, which, as stated in accounting policy Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the period ended on that date of the Company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. the directors have been given the declarations required by s295A of the *Corporations Act 2001* that:
   a. the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
   b. the financial statements and notes for the financial year comply with Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view; and

This declaration is made in accordance with a resolution of the Board of Directors.

Signed on behalf of the directors by

CONNOR GRINDLAY
Director

13 September 2020

AUDITOR'S INDEPENDENCE DECLARATION

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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13 September 2020

Board of Directors
Kaizen Global Investments Limited
Suite 409
350 George Street
Sydney NSW Australia 2000

Dear Directors

RE: KAIZEN GLOBAL INVESTMENTS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Kaizen Global Investments Limited.

As Audit Director for the audit of the financial statements of Kaizen Global Investments Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
KAIZEN GLOBAL INVESTMENTS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kaizen Global Investments Limited ("the Company"), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; 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 are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Valuation of Financial Assets and Financial Liabilities Financial assets and financial liabilities represent 77% of total assets and 86% of total liabilities respectively. Given the afore mentioned relativity of balances with respect to the total assets and liabilities, the valuation of these financial assets and financial liabilities is considered to be a key audit matter. The valuation of financial investments held at fair value is based on a range of inputs. All of the inputs required can be obtained from readily available liquid market prices and rates.	Inter alia, our audit procedures included the following: i. We audited the entity's valuation of individual investment holdings. We corroborated the pricing inputs used in the valuation of both financial assets and financial liabilities to independent data sources; and ii. We have audited the change in values of both financial assets and financial liabilities to ensure that these changes are reflected correctly on the statement of financial performance.
Existence of Financial Assets and Financial Liabilities Financial assets and financial liabilities represent 77% of total assets and 86% of total liabilities respectively. Given the afore mentioned relativity of balances with respect to the total assets and liabilities, the existence of these financial assets and financial liabilities at balance date is considered to be a key audit matter.	Inter alia, our audit procedures included the following: i. Verification of listed holding balances of financial assets and financial liabilities held at balance date to third party broker statements and; ii. Discussion with management the nature of financial assets and financial liabilities held at balance date to ensure no omissions.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, 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 we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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 the Directors for the Financial Report

The directors of the Company 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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 Company'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 Company to cease to continue as a going concern.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 22 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Kaizen Global Investments Limited for the year ended 30 June 2020 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director
West Perth, Western Australia
13 September 2020