



MILLINIUM'S ALTERNATIVES FUND

APPENDIX 4E

2020 PRELIMINARY FINANCIAL REPORT

Appendix 4E

Preliminary Final Report

| | |
|-----------------------------------|-------------------------------|
| Name of Entity: | Millinium's Alternatives Fund |
| ARSN: | 121 722 521 |
| Period Ending: | 30 June 2020 |
| Previous Reporting Period: | 30 June 2019 |

RESULTS FOR ANNOUNCEMENT TO THE MARKET

| | 2020 \$ | Percentage increase/(decrease) over corresponding period |
|--|--------------------|---|
| Revenue from continuing operations | 258,041 | 1621.2% |
| Profit/(Loss) for the year | (2,359,483) | 56% |
| Net profit/(loss) for the year attributable to members | (2,359,483) | 56% |

| Distribution (dividend) Information | |
|--|----------------|
| 30 June 2020 final distribution | Not applicable |
| 31 December 2019 Interim distribution | Not applicable |

Net Tangible Asset Backing

| Net tangible assets per security | 2020 | 2019 |
|----------------------------------|-------------|-------------|
| | \$1.8428 | \$2.6463 |

Dividend Information

| | |
|-----------------------------|----------------|
| Units traded ex-entitlement | Not applicable |
| Books closed | Not applicable |

This report is based on the Annual Report which is in the process of being audited. All documents comprise the information required by Listing Rule 4.3A

Appendix 4E Contents and checklist of requirements

| | |
|--|--|
| 1. Reporting period and corresponding period. | Refer to Page 1 of this Appendix 4E. |
| 2. Results for announcement to the market. | Refer to Page 1 of this Appendix 4E. |
| 3. Statement of comprehensive income. | Refer to Page 3 of this Appendix 4E. |
| 4. Statement of financial position. | Refer to Page 4 of this Appendix 4E. |
| 5. Statement of cash flows. | Refer to Page 5 of this Appendix 4E. |
| 6. Statement of changes in equity. | Refer to Page 6 of this Appendix 4E. |
| 7. Details of dividends or distributions. | Refer to Page 1 of this Appendix 4E. |
| 8. Details of dividend or distribution reinvestment plans in operation and the last date of receipt of an election notice for participation in any dividend or distribution reinvestment plan. | Refer to Page 1 of this Appendix 4E. |
| 9. Net tangible assets per security. | Refer to Page 1 of this Appendix 4E. |
| 10. Details of entities over which control has been gained or lost during the period. | Not applicable. |
| 11. Details of joint venture entities and associated entities. | Not applicable. |
| 12. Any other information needed by an investor to make an informed assessment of the entity's financial performance and financial position. | Refer to Page 1 through 6 of this Appendix 4E. |
| 13. Accounting standards used in compiling reports by foreign entities. | Not applicable. |
| 14. A commentary on the results for the period. | Refer to Page 7 of this Appendix 4E. |
| 15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed. | Refer to Page 1 of this Appendix 4E. This report is based on accounts which are in the process of being audited. |
| 16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification a description of the likely dispute or qualification. | At this stage it is likely the audit report will be unqualified. |
| 17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification. | Not applicable. |

MILLINIUM'S ALTERNATIVES FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | | Year ended | |
|--|------|--------------------|--------------------|
| | | 30 June 2020 | 30 June 2019 |
| | Note | \$ | \$ |
| Investment income | | | |
| Interest income | | 76,120 | 9,688 |
| Distribution income | | - | 6,229 |
| Net gains on financial instruments held at fair value through profit | 7 | 82,554 | (3,668,186) |
| Other investment income | | 181,921 | - |
| | | <hr/> | <hr/> |
| Net investment income | | 340,595 | (3,652,269) |
| | | <hr/> | <hr/> |
| Expenses | | | |
| Management and application fees | 14 | (101,479) | (98,863) |
| Remuneration of auditors | 6 | (56,873) | (49,951) |
| Aborted transaction expense | | - | (356,554) |
| Provision for doubtful debts | | - | (436,511) |
| Other operating expenses | 5 | (2,541,726) | (724,641) |
| | | <hr/> | <hr/> |
| Total operating expenses | | (2,700,078) | (1,666,520) |
| | | <hr/> | <hr/> |
| Operating profit/(loss) | | (2,359,483) | (5,318,789) |
| | | <hr/> | <hr/> |
| Profit for the year | | (2,359,483) | (5,318,789) |
| | | <hr/> | <hr/> |
| Other comprehensive income for the year | | - | - |
| | | <hr/> | <hr/> |
| Total comprehensive income for the year | | (2,359,483) | (5,318,789) |
| | | <hr/> | <hr/> |

MILLINIUM'S ALTERNATIVES FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

STATEMENT OF FINANCIAL POSITION

| | | As at | |
|--|------|-----------------------|-----------------------|
| | Note | 30 June 2020 \$ | 30 June 2019 \$ |
| Assets | | | |
| Cash and cash equivalents | 10 | 61,374 | 115,718 |
| Receivables and other current assets | 12 | 2,980,834 | 1,185,698 |
| Financial assets held at fair value through profit or loss | 11 | 3,440,415 | 2,393,325 |
| Total assets | | 6,482,623 | 3,694,741 |
| Liabilities | | | |
| Other payables | 13 | 1,886,277 | 520,671 |
| Total liabilities | | 1,886,277 | 520,671 |
| Net Assets | | 4,596,346 | 3,174,070 |
| Equity | | 4,596,346 | 3,174,070 |

MILLINIUM'S ALTERNATIVES FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF CHANGES IN EQUITY

| | Year ended | |
|--|-------------------|------------------|
| | 30 June | 30 June |
| | 2020 | 2019 |
| | \$ | \$ |
| Total equity at the beginning of the year | 3,174,070 | 8,492,859 |
| Profit/(Loss) for the year | (2,359,483) | (5,318,789) |
| Other comprehensive income | - | - |
| Total comprehensive income | 814,587 | 3,174,070 |
| Transactions with unitholders | | |
| Distributions paid | - | - |
| Redemptions paid | (106,013) | - |
| Applications Received | 5,417,772 | - |
| Applications Cancelled | (1,530,000) | - |
| Total equity at the end of the year | 4,596,346 | 3,174,070 |

MILLINIUM'S ALTERNATIVES FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF CASH FLOWS

| | Notes | Year ended | |
|---|-------|-----------------------|-----------------------|
| | | 30 June 2020 \$ | 30 June 2019 \$ |
| Cash flows from operating activities | | | |
| Purchase of financial instruments held at fair value through profit or loss | | (970,090) | (219,443) |
| Proceeds on sale of financial instruments held at fair value through | | - | 3,120,166 |
| Distributions received | | - | 6,229 |
| Interest received | | 76,120 | 9,688 |
| Other investment income received | | 181,921 | - |
| GST (paid) / received | | 21,613 | 20,388 |
| Management and application fees paid | | (101,479) | (98,863) |
| Payment of other operating expenses | | (1,770,824) | (1,925,937) |
| Net cash inflow/(outflow) from operating activities | 15(a) | (2,562,739) | 912,228 |
| Cash flows from financing activities | | | |
| Proceeds from applications by unitholders | | 3,687,771 | - |
| Payments for redemptions by unitholders | | (106,013) | - |
| Proceeds from loans advanced | | 426,641 | 239,329 |
| Distributions paid | | - | - |
| Net cash inflow from financing activities | | 4,008,399 | 239,329 |
| Cash flows from investing activities | | | |
| Payments of costs relating to proposed investment | | (1,500,004) | (1,150,000) |
| Net cash outflow from investing activities | | (1,500,004) | (1,150,000) |
| Net increase / (decrease) in cash and cash equivalents | | (54,344) | 1,557 |
| Cash and cash equivalents at beginning of the year | | 115,718 | 114,161 |
| Cash and cash equivalents at end of the year | 10 | 61,374 | 115,718 |
| Non-current financing activities | | - | - |

Principal activities

The Trust invests in accordance with the provisions of the Trust Constitution and the current Product Disclosure Statement.

There has been no significant change in the activities of the Trust during the financial year except as disclosed below.

The Trust did not have any employees during the year.

The Trust is currently listed on the Australian Securities Exchange ("ASX"). The ASX code is MAX.

Changes in state of affairs

There have been no significant changes to the operations of the Trust since the previous financial year. The Trust continued to invest in accordance with target asset allocations as set out in Trust Deed.

Review of results and operations

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

| | Year ended 30 June 2020 \$ | Year ended 30 June 2019 \$ |
|--|---|---|
| Operating profit/(loss) before financing costs attributable to unitholders | (2,359,483) | (5,318,789) |
| Distribution paid and payable | - | - |
| Distribution (cents per unit) 31 December | - | - |
| Final distribution (cents per unit) 30 June | - | - |

The full year results are in line with the continuation of the restructure and half year 2020 Interim Financial Report and reflect a contribution from all investment segments.

Financial position

Net tangible assets per unit as disclosed to the ASX

Net Tangible Assets ("NTA") per unit as disclosed to the ASX (excluding distributions, but not accumulated imputation credits) are shown as follows:

| | As at 30 June 2020 Cents | As at 30 June 2019 Cents |
|----------------------|---|---|
| At 30 June | 1.8428 | 2.6463 |
| High during the year | 4.7122 | 9.1227 |
| Low during the year | 1.8156 | 2.6463 |

1 General information

These financial statements cover the Millinium's Alternatives Fund (the "Trust") as an individual entity. The financial statements are presented in the Australian currency for the year ended 30 June 2020.

The Trust is an Australian registered managed investment scheme under the Corporations Act 2001. The Trust commenced operations on 13 December 2006 and was admitted to the Australian Securities Exchange "ASX" on 19 December 2006 and is domiciled in Australia.

The Responsible Entity of the Trust is Millinium Capital Managers Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 13, 50 Margaret Street, Sydney, NSW 2000.

The Responsible Entity is incorporated and domiciled in Australia.

The Trust invests in accordance with the provisions of the Trust Constitution and the current Product Disclosure Statement.

2 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. The Trust is a for-profit unit trust for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unit holders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Trust also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Trust

New accounting standards and interpretations and the directors' assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations are set out below:

- AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

AASB 16 requires lessees to recognise new assets and liabilities under an on-balance sheet accounting model that is similar to current finance lease accounting. However, as the Trust does not have any leases in place, the change does not impact the Trust.

(iii) New standards and interpretations not yet adopted

There are no new standards, interpretations or amendments to existing standards not yet adopted that are effective for the first time for the financial year beginning 1 July 2020.

2 Summary of significant accounting policies (continued)

(b) Financial instruments

(i) Classification

The Trust's investments are classified as at fair value through profit or loss. They comprise of:

- Financial instruments held for trading

Derivative financial instruments such as forward contracts are included under this classification. The Trust does not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not classified as held for trading purposes and which may be sold. These are investments in exchange listed equity securities and unlisted equity investments.

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

(ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or the Trust has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

(iii) Measurement

- Financial instruments held at fair value through profit or loss

At initial recognition, the Trust measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The Trust uses the current bid price as the quoted market price for financial assets and the current asking price as the quoted market price for financial liabilities.

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

(iv) Loans and receivables

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where the Trust currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

(c) Equity

The Trust's Constitution provides that a unitholder may request that the responsible entity redeem the unitholder's units, but as required under the Trust's ASX listing conditions, there is no obligation on the Responsible Entity to do so.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represent the Trust's main income generating activity.

2 Summary of significant accounting policies (continued)

(e) Investment income

(i) Interest income

Interest income earned on cash and cash equivalents is recognised in the statement of comprehensive income on an accrual basis.

(ii) Dividends

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Trust currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

(f) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, the Trust is not subject to income tax as unit holders are presently entitled to the income of the Trust. The benefits of imputation credits and foreign tax paid are passed on to unit holders.

(h) Distributions

The Trust distributes its distributable income, in accordance with the Trust's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

(i) Increase/(decrease) in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. Movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

(j) Functional and presentation currency

Balances included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Trust competes for Trusts and is regulated. The Australian dollar is also the Trust's presentation currency.

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by year end. Trades are recorded on trade date, and normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Trust will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, and the probability that the broker will enter into bankruptcy or financial reorganisation and default in payments.

(l) Payables

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the end of the reporting period.

As the Trust has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the statement of financial position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

2 Summary of significant accounting policies (continued)

(m) Applications and redemptions

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

(n) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties such as management, administration and custodian services where applicable, have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits (RITC) hence fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(o) Segment information

The Trust is organised into one main business segment which operates solely in the business of investment management within Australia. While the Trust operates from Australia only (the geographical segment), the Trust may have asset exposures in different countries and across different industries.

(p) Use of estimates

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Trust's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unlisted equity investments, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how fair value is calculated refer to Note 4 to the financial statements.

(q) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

(r) Significant Judgement

Millinium Capital Managers Limited, as responsible entity of Millinium's Alternatives Fund (MAX), has entered into an implementation deed in respect of a proposed and conditional investment in a mixed use property development project for 240 Brunswick Street and 11 Overells Lane, Fortitude Valley, Brisbane. MAX's participation in the proposed transaction is subject to a number of conditions which are yet to be finalised as at year end. Management has exercised their judgement in determining the proposed transaction is highly likely to be completed. Therefore the deposits paid in respect of acquisition are expected to be utilised to obtain the property, and will form part of the acquisition price.

3 Financial risk management

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

The Trust's overall risk management programme focuses on ensuring compliance with the Trust's Constitution, Product Disclosure Statement (PDS) and the investment guidelines of the Trust. It also seeks to maximise the returns derived for the level of risk to which the Trust is exposed and seeks to minimise potential adverse effects on the Trust's financial performance.

The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of market risks, and ratings analysis for credit risk.

Financial risk management is carried out under policies approved by the Board of Directors of the Responsible Entity (the "Board"). Compliance with the Trust's Product Disclosure Statement, Constitution and Investment Guidelines are reported to the Board on a regular basis.

(a) Market risk

(i) Price risk

The Trust is exposed to price risk on equity securities listed or quoted on recognised securities exchanges and price risk on derivative securities. Price risk arises from investments held by the Trust for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk. All securities held present a risk of loss of capital. The maximum price risk resulting from financial instruments is determined by the fair value of the financial instrument.

Price risk is managed through diversification and a careful selection of securities and other financial instruments within investment guidelines specified in the PDS.

The table under 3(b), summarises the sensitivity of the Trust's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Trust invests moved by +/-10% (2019:+/-10%).

(ii) Foreign exchange risk

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

Compliance with the Trust's policy is reported to the Responsible Entity on a quarterly basis.

The Trust did not have any assets or liabilities denominated in a foreign currency in June 2020 and June 2019 and was therefore not subject to foreign exchange risk.

(iii) Cash flow and fair value interest rate risk

The Trust is exposed to cash flow interest rate risk on financial instruments with variable interest rates.

The Trust's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and statement of cash flows. The risk is measured using sensitivity analysis. The only financial asset held by the Trust subject to interest rate risk is cash and cash equivalents.

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

The table below summarises the Trust's exposure to interest rate risks. It includes the Trust's assets and liabilities at fair value, categorised by the earlier of contractual repricing or maturity dates.

| 30 June 2020 | Floating interest rate \$ | Fixed interest rate \$ | Non interest bearing \$ | Total \$ |
|--|--|---------------------------------------|--|---------------------|
| Financial assets | | | | |
| Cash and cash equivalents | 61,374 | - | - | 61,374 |
| Financial assets held at fair value through profit or loss | - | - | 3,440,415 | 3,440,415 |
| Financial liabilities | | | | |
| Other payables | - | - | (1,886,277) | (1,886,277) |
| Net exposure | 61,374 | - | 1,554,138 | 1,615,512 |
| 30 June 2019 | Floating interest rate \$ | Fixed interest rate \$ | Non interest bearing \$ | Total \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 115,718 | - | - | 115,718 |
| Financial assets held at fair value through profit or loss | - | - | 2,393,325 | 2,393,325 |
| Financial liabilities | | | | |
| Other payables | - | - | (520,671) | (520,671) |
| Net exposure | 115,718 | - | 1,872,654 | 1,988,372 |

Summarised sensitivity analysis

The table in the succeeding page summarises the sensitivity of the Trust's operating profit and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates and the historical correlation of the Trust's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Trust invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

3 Financial risk management (continued)

Summarised sensitivity analysis (continued)

| | Impact on operating profit/net assets attributable to unitholders | |
|---------------------------|--|--------------|
| | 30 June 2020 | 30 June 2019 |
| | \$ | \$ |
| <i>Price risk</i> | | |
| +10% increase | 344,042 | 239,333 |
| -10% decrease | (344,042) | (239,333) |
| <i>Interest rate risk</i> | | |
| +100 basis points | 614 | 1,157 |
| -100 basis points | (614) | (1,157) |

(b) Credit risk

The Trust is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations when they fall due, causing a financial loss to the Trust.

Concentrations of credit risk are minimised primarily by:

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

The Trust does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Trust is exposed, arises from cash and cash equivalents. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents and receivables.

An analysis of exposure by rating is set out in the table below:

| | Year ended | |
|---------------------|---------------|----------------|
| | 30 June 2020 | 30 June 2019 |
| | \$ | \$ |
| Cash at bank | | |
| Rating | | |
| AA3 | 61,374 | 115,718 |
| | 61,374 | 115,718 |

(i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

3 Financial risk management (continued)

(c) Credit risk (continued)

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA- or higher.

In accordance with the Trust's policy, the Investment Manager monitors the Trust's credit position on a daily basis and the Board of Directors reviews it on a quarterly basis.

(d) Liquidity risk

Liquidity risk is the risk that the Trust may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Investments in unlisted unit trusts expose the Trust to the risk that the Responsible Entity or manager of those trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Trust.

Exposure to liquidity risk for the Trust may arise from the requirement to meet daily unit holder redemption requests or to Trust foreign exchange related cash flow requirements.

In order to manage the Trust's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unit holders. The Trust did not reject or withhold any redemptions during 2019.

(i) Maturities of non-derivative financial liabilities

The table below analyses the Trust's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Units are redeemed on demand at the unit holder's option. However, the Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them from medium to long term.

| | Less than 1 month \$ | 1-6 months \$ | Total \$ |
|---|----------------------------|------------------|------------------|
| At 30 June 2020 | | | |
| Liabilities | | | |
| Other payables | 1,886,277 | - | 1,886,277 |
| Net assets attributable to unit holders | 4,596,346 | - | 4,596,346 |
| Contractual cash flows | 6,482,623 | - | 6,482,623 |
| At 30 June 2019 | | | |
| Liabilities | | | |
| Other payables | 520,671 | - | 520,671 |
| Net assets attributable to unit holders | 3,174,070 | - | 3,174,070 |
| Contractual cash flows | 3,694,741 | - | 3,694,741 |

4 Fair value measurement

The Trust measures and recognises its financial assets and liabilities held at fair value through profit or loss on a recurring basis.

The Trust has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

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

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

(a) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The Trust values its investments in accordance with the accounting policies set out in Note 2 of the financial statements. For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Trust is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(b) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar financial instruments.

4 Fair value measurement (continued)

(c) Recognised fair value measurements

The table below presents the Trust's financial assets and liabilities measured and recognised at fair value as at 30 June 2020.

| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|--|---------------|---------------|---------------|-------------|
| At 30 June 2020 | | | | |
| Financial assets designated at fair value through profit or loss | | | | |
| Listed equity | - | - | - | - |
| Unlisted equity | - | 3,440,415 | - | 3,440,415 |
| Total financial assets | - | 3,440,415 | - | 3,440,415 |

At 30 June 2019

| | | | | |
|--|--------|-----------|---|-----------|
| Financial assets designated at fair value through profit or loss | | | | |
| Listed equity | 65,309 | - | - | 65,309 |
| Unlisted Equity | - | 2,328,017 | - | 2,328,017 |
| Total financial assets | 65,309 | 2,328,017 | - | 2,393,326 |

The shares in an unlisted equity investment at level 2 were revalued on 30 June 2020 and 2019 based on assessments performed by a third party valuer, with reference to independent private placement investments made in the vehicle.

(d) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior year.

5 Other operating expenses

| | Year ended | |
|---|------------------|-----------------|
| | 30 June 2020 | 30 June 2019 |
| | \$ | \$ |
| Fund accounting and administration fees | 91,167 | 84,907 |
| Custody fees | 22,891 | 22,191 |
| Bank charges | 25 | 101 |
| Recoverable fees and other direct costs | 68,975 | 88,550 |
| Commission expenses | - | - |
| Insurance premiums | 8,705 | 9,110 |
| Other expenses | 1,983,090 | 285,987 |
| Legal fees | 366,873 | 233,795 |
| | 2,541,726 | 724,641 |

6 Remuneration of auditors

During the year the following fees were paid or payable by the Trust for services provided by the auditor of the Trust. The auditor of the Trust is RSM Australia Partners

| | Year ended | |
|---|-----------------|-----------------|
| | 30 June 2020 | 30 June 2019 |
| | \$ | \$ |
| RSM Australia Partners | | |
| Audit and assurance services | | |
| Audit and review of financial statements | 44,855 | 49,951 |
| Other services | - | 46,754 |
| Total remuneration for audit and other assurance services | 44,855 | 96,705 |
| Total remuneration of RSM Australia | 44,855 | 96,705 |
| StewartBrown | | |
| Audit and assurance services | | |
| Audit and review of financial statements | - | - |
| Audit of compliance plan | 12,018 | - |
| Total remuneration for audit and other assurance services | 12,018 | - |
| Total remuneration of auditors | 56,873 | 96,705 |

7 Net gains/(losses) on financial instruments held at fair value through profit or loss

| | Year ended | |
|--|-----------------|--------------------|
| | 30 June 2020 | 30 June 2019 |
| | \$ | \$ |
| Financial assets | | |
| Net realised losses on financial instruments held at fair value through profit or loss | 5,553 | (114,362) |
| Net unrealised gains on financial instruments held at fair value through profit or loss | 77,001 | (3,553,824) |
| Total net gains/(losses) on financial instruments held at fair value through profit or loss | 82,554 | (3,668,186) |

8 Net assets attributable to unitholders

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

| | Year ended | | Year ended | |
|---|------------------|------------------|------------------|------------------|
| | 30 June 2020 | 30 June 2020 | 30 June 2019 | 30 June 2019 |
| | No. | \$ | No. | \$ |
| Net assets attributable to unitholders | | | | |
| Opening balance | 1,199,446 | 3,174,070 | 1,199,446 | 8,492,859 |
| Applications received | 1,877,781 | 5,417,772 | - | - |
| Applications cancelled | (530,292) | (1,530,000) | - | - |
| Redemptions | (52,665) | (106,013) | - | - |
| (Decrease)/Increase in net assets attributable to unitholders | - | (2,359,483) | - | (5,318,789) |
| Closing Balance | 2,494,270 | 4,596,346 | 1,199,446 | 3,174,070 |

As stipulated within the Trust Constitution, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

Capital risk management

The Trust's Constitution provides that a unitholder may request that the responsible entity redeem the unitholders units, but as required under the Trust's ASX listing conditions, there is no obligation on the Responsible Entity to do so.

9 Distributions to unitholders

There were no distributions paid for the years ended 30 June 2020 and 30 June 2019.

10 Cash and cash equivalents

| | As at 30 June 2020 \$ | As at 30 June 2019 \$ |
|--------------|--------------------------------|--------------------------------|
| Cash at bank | 61,374 | 115,718 |
| Total | 61,374 | 115,718 |

11 Financial assets

| | As at 30 June 2020 \$ | As at 30 June 2019 \$ |
|--|--------------------------------|--------------------------------|
| Designated at fair value through profit or loss | | |
| Listed equity | - | 65,309 |
| Unlisted equity | 3,440,415 | 2,328,017 |
| Total designated at fair value through profit or loss | 3,440,415 | 2,393,326 |
| Total financial assets | 3,440,415 | 2,393,326 |

12 Receivables and other current assets

| | As at 30 June 2020 \$ | As at 30 June 2019 \$ |
|-------------------------|--------------------------------|--------------------------------|
| Prepayments | 1,745 | - |
| Applications receivable | 200,000 | - |
| Loan receivable | 115,000 | - |
| GST receivable | 14,085 | 35,698 |
| Project Waltons deposit | 2,650,004 | 1,150,000 |
| | 2,980,834 | 1,185,698 |

13 Other payables

| | As at 30 June 2020 \$ | As at 30 June 2019 \$ |
|-------------------------|--------------------------------|--------------------------------|
| Management fees payable | 10,693 | 17,136 |
| Audit fees payable | 25,000 | 25,000 |
| Sundry payables | 1,069,614 | 239,206 |
| Related party loan | 780,970 | 239,329 |
| | 1,886,277 | 520,671 |

14 Related party transactions

Responsible Entity

The Responsible Entity of Millinium's Alternatives Fund is Millinium Capital Managers Limited.

Key management personnel compensation

Key management personnel are paid by Millinium Capital Managers Limited. Payments made from the Trust to Millinium Capital Managers Limited do not include any amounts directly attributable to the compensation of key management personnel.

Responsible Entity's/Manager's fees and other transactions

Under the terms of the Trust Constitution, the Responsible Entity is entitled to receive fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Trust as follows:

- (i) management fee payable to the Responsible Entity is 1.25% plus GST per annum.
- (ii) application fees payable to the Responsible Entity are calculated at 5% (GST inclusive, net of RITC) of any application money received.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register are reimbursed in accordance with the Trust Constitution.

The transactions during the year and the amounts payable at year end between the Trust and the Responsible Entity were as follows:

| | Year ended | |
|---|-----------------|-----------------|
| | 30 June 2020 | 30 June 2019 |
| | \$ | \$ |
| Management fees for the year paid/payable by the Trust to Millinium Capital Managers Limited | 101,479 | 98,863 |
| Recoverable expenses for the year paid/payable by the Trust to Millinium Capital Managers Limited | 143,975 | 680,032 |
| Application fees for the year paid/payable by the Trust to Millinium Capital Managers Limited | 197,978 | - |
| Management fees payable to the Responsible Entity at the end of the reporting period | 10,693 | 17,136 |
| Related party loan | (780,970) | (239,329) |

Related party unitholdings

There was no interest in the Trust held by other managed investment schemes also managed by the Responsible Entity.

Investments

The Trust did not hold investments in any schemes which were managed by the Responsible Entity during the years ended 30 June 2020 and 30 June 2019.

Other related parties

Gibraltar Capital Pty Limited is a related party due to common directors of Tom Wallace and Paul Bray. At 30 June 2020 \$780,970 was owed to Gibraltar Capital Pty Limited in respect of cash advanced to the Trust to assist with legal proceedings against a former advisor and working capital for ongoing operations. The loan agreement sets out the amounts owed are repayable 24 months after the loan is first made available, the interest rate will be 4%, and the total facility is \$1,500,000. The trust also entered into a security agreement in favour of Gibraltar Capital Pty Limited over current and future assets of the Trust.

Kyabram Preserving Company Pty Limited is a related party due to common directors of Tom Wallace and Paul Bray, who became directors at the request of a former adviser to the Trust. During the year the Trust did not incur any costs on behalf of Kyabram Preserving Company Pty Limited. Due to the fact the transaction did not proceed the Trust has provided against the receivable in full at 30 June 2020. This transaction and the loss is subject to current legal proceedings against the former adviser to the Trust and his associates, as notified to investors and mentioned in note 16.

The Trust owns shares in GeoGro Group Pty Ltd, previously issued for reimbursement of expenses relating to a proposed acquisition. Tom Wallace is a director of GeoGro Group Pty Ltd, the entity established on behalf of the Trust to undertake the acquisition. The cost of the investment was \$1,676,500. Following delays in the acquisition the fair value has been assessed as nil at 30 June 2020.

15 Reconciliation of profit/(loss) to net cash (outflow)/inflow from operating activities

| | Year ended | |
|---|--------------------|-----------------|
| | 30 June 2020 | 30 June 2019 |
| | \$ | \$ |
| (a) Reconciliation of profit/(loss) to net cash (outflow)/inflow from operating activities | | |
| Net profit/(loss) for the year | - | - |
| Increase/(decrease) in net assets attributable to unitholders | (2,359,483) | (5,318,789) |
| Proceeds from sale of financial instruments held at fair value through profit or loss | - | 3,120,166 |
| Purchases of financial instruments held at fair value through profit or loss | (970,090) | (219,443) |
| Net (gains)/losses on financial instruments held at fair value through profit or loss | (82,554) | 3,668,186 |
| Net change in receivables and other assets | (727,031) | (425,591) |
| Net change in payables and other liabilities | 1,576,419 | 87,699 |
| Net cash (outflow)/inflow from operating activities | (2,562,739) | 912,228 |

(b) Non-cash financing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

- -

As described in Note 2(i), income not distributed is included in net assets attributable to unitholders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

16 Events occurring after the reporting date

The Trust has commenced legal proceedings against a former adviser for loss in relation to aborted transactions costs and losses in relation to a disposal of investments incurred in the 2019 financial year. These proceedings are still ongoing as at the date of this report. Millinium Capital Managers Limited will update the market of any changes in these proceedings.

The trust continues to monitor the uncertainty surrounding COVID-19 and will continue to assess any material impacts for the Trust.

No other significant events have occurred since the reporting date which would impact on the financial position of the Fund disclosed in the statement of financial position as at 30 June 2020 or on the results and cash flows of the Fund for the year ended on that date.

17 Commitments

There were no commitments for expenditure at 30 June 2020 (30 June 2019: Nil).

18 Contingent assets and liabilities

There were no outstanding contingent assets and liabilities as at 30 June 2020 (30 June 2019: Nil).