

**MILLINIUM'S ALTERNATIVES FUND  
ARSN 121 722 521**

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**MILLINIUM'S ALTERNATIVES FUND**  
**ARSN 121 722 521**  
**FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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These half-year financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with any public announcements made in respect of Millinium's Alternatives Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This half-year report covers the Millinium's Alternatives Fund as an individual entity.

The Responsible Entity of Millinium's Alternatives Fund is Millinium Capital Managers Limited (ABN 32 111 283 357). The Responsible Entity's registered office is Level 33, 19 Martin Place, Sydney NSW 2000.

## Corporate Directory

Responsible Entity	Millinium Capital Managers Limited ABN 32 111 283 357 AFSL 284 336
Directors of Responsible Entity	Tom Wallace Paul Bray (non-executive director) Henry Capra (non-executive director)
Company Secretary	Tom Wallace
Principal Registered Office in Australia	Current address: Level 33, 19 Martin Place Sydney NSW 2000
Share Register	Millinium Capital Managers Limited Current address: Level 33, MLC Centre 19 Martin Place Sydney NSW 2000
Fund Administrator	Bacchus Associates Pty Limited Suite 9, Level 2, 56 Bowman Street Pyrmont NSW 2009
Custodian	Sargon CT Pty Limited Level 19, 60 Castlereagh Street Sydney NSW 2000
Independent Auditor	RSM Australia Partners Level 13 60 Castlereagh Street Sydney NSW 2000
Solicitors	HWL Ebsworth Level 14, Australia Square 264-278 George Street Sydney NSW 2000
Stock Exchange Listings	Millinium's Alternatives Fund units are listed on the Australian Securities Exchange ("ASX") ASX Code: MAX
Website address	<a href="http://www.millinium.com.au">www.millinium.com.au</a>

## Directors' Report

The Directors of Millinium Capital Managers Limited (ABN 32 111 283 357), the Responsible Entity of Millinium's Alternatives Fund (the "Trust"), present their annual report together with financial statements of the Trust for the half-year ended 31 December 2019.

### 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 half-year except as disclosed below.

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

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

### Directors

The names of the Directors of Millinium Capital Managers Limited in office during the financial period and until the date of this report are:

#### Name

Mr T. Wallace  
Mr P. Bray (non-executive director)  
Mr H. Capra (non-executive director)

### Changes in state of affairs

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

### Review of results and operations

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

	Half-Year ended	
	31 December 2019	31 December 2018
	\$	\$
Operating loss before financing costs attributable to unitholders	(1,434,362)	(613,635)
Distribution paid and payable	-	-
Distribution (cents per unit) 31 December	-	-

### Trust assets

At 31 December 2019, the Trust held net assets to a total value of \$7,157,484 (30 June 2019: \$3,174,070).

During the half-year, the Trust continued to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

The investment policy of the Trust continues to be in accordance with the provisions of the governing documents of the Trust.

## Directors' Report (continued)

### Distributions

No distributions were paid/payable by the Trust during the period.

### Units on issue

The movement in units on issue in the Trust during the year is disclosed in Note 5 of the financial statements.

The values of the Trust's assets and liabilities are disclosed on the statement of financial position and derived using the basis set out in Note 2 to the 30 June 2019 financial statements.

### Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

### Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trust in future financial years.

### Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and the Trust Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

### Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trust in regards of insurance cover provided to either the officers of Millinium Capital Managers Limited or the auditors of the Trust. So long as the officers of Millinium Capital Managers Limited act in accordance with the Trust Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.



Tom Wallace

Sydney, NSW  
28 February 2020

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Millinium's Alternative Fund for the half-year ended 31 December 2019, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in black ink that reads 'David Talbot'.

**David Talbot**  
Partner

Sydney, NSW  
Dated: 28 February 2020

MILLINIUM'S ALTERNATIVES FUND  
ARSN 121 722 521

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Half-year ended	
		31 December 2019	31 December 2018
	Note	\$	\$
<b>Revenue</b>			
Interest income		63,572	5,227
Net gain/(loss) on financial instruments held at fair value	4	77,001	(75,649)
Other investment income		75,907	-
<b>Total investment profit/(loss)</b>		<b>216,480</b>	<b>(70,422)</b>
<b>Expenses</b>			
Interest expenses		(16,758)	(3,250)
Management fees		(50,486)	(53,372)
Remuneration of auditors		(24,018)	(24,411)
Other operating expenses		(1,559,580)	(462,180)
<b>Total operating expenses</b>		<b>(1,650,842)</b>	<b>(543,213)</b>
<b>Operating loss</b>		<b>(1,434,362)</b>	<b>(613,635)</b>
<b>Profit for the period</b>		<b>(1,434,362)</b>	<b>(613,635)</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>(1,434,362)</b>	<b>(613,635)</b>

*The above condensed statement of profit or loss and other comprehensive income is to be read in conjunction with the notes.*

MILLINIUM'S ALTERNATIVES FUND  
ARSN 121 722 521  
CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019

CONDENSED STATEMENT OF FINANCIAL POSITION

		As at	
	Note	31 December 2019 \$	30 June 2019 \$
<b>Assets</b>			
Cash and cash equivalents		112,356	115,718
Intangible assets/digital assets	9	1,530,004	-
Receivables	8	3,499,622	1,185,698
Financial assets held at fair value through profit or loss	7	3,408,017	2,393,325
<b>Total assets</b>		<b>8,549,999</b>	<b>3,694,741</b>
<b>Liabilities</b>			
Other payables	10	1,392,515	520,671
<b>Total liabilities</b>		<b>1,392,515</b>	<b>520,671</b>
<b>Net assets</b>		<b>7,157,484</b>	<b>3,174,070</b>
<b>Equity</b>	5	<b>7,157,484</b>	<b>3,174,070</b>

The above condensed statement of financial position is to be read in conjunction with the accompanying notes.



MILLINIUM'S ALTERNATIVES FUND  
ARSN 121 722 521  
CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Half-year ended	
	31 December 2019	31 December 2018
	\$	\$
<b>Total equity at the beginning of the period</b>	3,174,070	8,492,858
Profit for the period	(1,434,362)	(613,633)
Other comprehensive income	-	-
Total comprehensive income	(1,434,362)	(613,633)
<b>Transactions with unitholders</b>	-	-
Applications	5,417,777	-
<b>Total equity at the end of the period</b>	<b>7,157,485</b>	<b>7,879,225</b>

*The above condensed statement of changes in equity is to be read in conjunction with the accompanying notes.*

MILLINIUM'S ALTERNATIVES FUND  
ARSN 121 722 521  
CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended	
	31 December 2019	31 December 2018
	\$	\$
<b>Cash flows from operating activities</b>		
Sale/(Purchase) of financial instruments held at fair value through profit or loss	-	2,263,726
Interest received	40,453	5,227
Other investment income received	12,045	-
GST (paid)/received	(75,356)	18,221
Management and application fees paid	(50,486)	(53,372)
Payment of other operating expenses	(720,277)	(860,271)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(793,621)</b>	<b>1,373,531</b>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	500,000	-
Proceeds from loan received	290,258	-
<b>Net cash inflow from financing activities</b>	<b>790,258</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,362)</b>	<b>1,373,531</b>
Cash and cash equivalents at beginning of the period	115,718	114,161
<b>Cash and cash equivalents at end of the period</b>	<b>112,356</b>	<b>1,487,692</b>

*The above condensed statement of cash flows is to be read in conjunction with the accompanying notes.*

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

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## 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 half-year ended 31 December 2019.

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 33, 19 Martin Place, 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.

The financial statements were authorised for issue by the directors on 28 February 2020. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance and position of the Trust as the annual financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of the Trust for the year ended 30 June 2019. It is also recommended that the half-year financial report be considered together with any public announcements made by the Trust during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

### (a) Basis of preparation of interim report

These interim general purpose financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* in Australia.

The accounting policies applied in these interim financial statements are the same as those applied in the Trust's financial statements as at and for the year ended 30 June 2019.

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

### (b) New and amended standards adopted by the Trust

There are no new accounting standards and interpretations that have been published that are mandatory for the 31 December 2019 reporting period and have been adopted by the Trust. There are no other standards that are not yet effective and that are expected to have a material impact on the Trust in the current or future reporting periods and on foreseeable future transactions.

### (c) Digital assets

The Trust holds Bitcoins and Ethereum, forms of cryptocurrency tokens. Bitcoins and Ethereum are forms of digital currency which can be acquired on public exchanges, with a fixed supply of coins available in the market. Although the coins held can be sold, transferred or exchanged individually, they lack physical substance and are not deemed to be government or state-backed tender, nor financial instruments in accordance with Australian accounting standards.

The digital currencies are classified as indefinite life intangible assets initially recognised at cost. The digital currencies are subsequently measured at cost, less impairment by reference to a quoted price in an active digital currency market. The coins are classified as current assets if it is believed that the coins are expected to be substantially disposed of, or liquidated within twelve months from balance date.

Any increase or decrease in the fair value of the digital currencies are recognised through profit or loss, similar to any gains of losses upon the disposal of digital currencies.

**(d) Significant judgements**

**Waltons Development**

Millinium Capital Managers Limited, as responsible entity of Millinium's Alternatives Fund (the "Trust"), 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, during the financial year ended 30 June 2019. The Trust's participation in the proposed transaction was subject to a number of conditions which were yet to be finalised as at 30 June 2019, and management had exercised their judgement in determining the proposed transaction was highly likely to occur. Therefore the deposits paid in respect of the acquisition were expected to be recovered as a reduction to the purchase price.

In the six month period ending 31 December 2019 the agreement has not proceeded due to matters arising from the ASX suspension but management expect that the transaction is highly likely to complete in the coming months, but under a different structure to the original transaction. Management have exercised their judgment and consider that costs incurred to date of \$2,650,000 will be recouped in full on completion of the transaction.

**Valuation of digital assets**

The value of Bitcoins and Ethereum are considered for impairment using the quoted price obtained from the cryptocurrency site CoinMarketCap at balance sheet date, in Australian dollars. This is considered to represent a quoted price in an active digital currency market for identical assets. Management has selected this site as it is the main site that the cryptocurrency industry uses to benchmark pricing and is recognised as a reliable resource to determine fair value.

Cryptocurrency have a fixed supply in the market. The cryptocurrency market can have significant volatility. The volatility in price can have a material impact on the total value of coins presented at any point in time.

**Classification of digital assets**

Bitcoins held have been classified as a current intangible asset as it is not expected that management may substantially dispose or liquidate the coins held during the twelve months from balance date.

**(e) Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, Trust incurred a loss of \$1,434,362 and had net cash outflows from operating activities of \$793,621 for the half-year ended 31 December 2019. As at that date the Trust had total liabilities of \$1,392,515.

The Directors believe that it is reasonably foreseeable that the Trust will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- Although digital currencies are classified as intangible assets for the purposes of these financial statements, they are in fact a digital currency, traded at large volumes on international exchanges. As a fungible asset, the Trust has the necessary liquidity to meet all liabilities as and when they fall due.
- The Trust is able to raise capital as and when required.
- The Trust has additional lending facilities in place if required.

**3 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).

### 3 Fair value measurement (continued)

#### (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.

#### (c) Recognised fair value measurements

The table below presents the Trust's financial assets and liabilities measured and recognised at fair value as at 31 December and 30 June 2019.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>At 31 December 2019</b>				
<b>Financial assets</b>				
Listed equity	-	-	-	-
Unlisted equity	-	3,408,017	-	3,408,017
<b>Total financial assets</b>	-	<b>3,408,017</b>	-	<b>3,408,017</b>
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>At 30 June 2019</b>				
Financial assets designated at fair value through profit or loss				
Listed equity	65,309	-	-	65,309
Unlisted Equity	-	2,328,016	-	2,328,016
<b>Total financial assets</b>	<b>65,309</b>	<b>2,328,016</b>	-	<b>2,393,325</b>

### 3 Fair value measurement (continued)

#### (c) Recognised fair value measurements (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include unlisted unit trusts. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

#### Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy for the years ended 31 December 2019 and 30 June 2019.

#### (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 half-year.

### 4 Net losses on financial instruments held at fair value through profit or loss

	Half-year ended	
	31 December 2019 \$	31 December 2018 \$
<b>Financial assets</b>		
Net realised losses on financial instruments held at fair value through profit or loss	-	(114,362)
Net unrealised gains/(losses) on financial instruments held at fair value through profit or loss	77,001	38,713
<b>Total net losses on financial instruments held at fair value through profit or loss</b>	<b>77,001</b>	<b>(75,649)</b>

### 5 Equity

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

	Half-year ended		Year ended	
	31 December 2019 No.	31 December 2019 \$	30 June 2019 No.	30 June 2019 \$
<b>Net assets attributable to unitholders</b>				
Opening balance	1,199,446	3,174,070	1,199,446	8,492,859
Applications	1,877,782	5,417,777	-	-
Decrease in net assets attributable to unitholders	-	(1,434,362)	-	(5,318,789)
<b>Closing Balance</b>	<b>3,077,228</b>	<b>7,157,485</b>	<b>1,199,446</b>	<b>3,174,070</b>

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.

The Trust has issued units in accordance with an exemption it has from the ASX in relation to the Listing Rule 7.1 for the issue of units for when investments are made in quoted fungible securities. The directors consider that the issue of the units comply with the exemption granted.

#### 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.

### 6 Distributions to unitholders

No distributions were paid/payable during the half-year ended 31 December 2019 (31 December 2018: Nil).

## 7 Financial assets held at fair value through profit or loss

	As at	
	31 December 2019	30 June 2019
	\$	\$
<b>Designated at fair value through profit or loss</b>		
Listed equity	-	65,309
Unlisted equity	3,408,017	2,328,016
Total designated at fair value through profit or loss	3,408,017	2,393,325
<b>Total financial assets</b>	<b>3,408,017</b>	<b>2,393,325</b>

## 8 Receivables

	As at	
	31 December 2019	30 June 2019
	\$	\$
Other receivables	761,208	-
GST receivable	88,414	35,698
Project Waltons deposit	2,650,000	1,150,000
	<b>3,499,622</b>	<b>1,185,698</b>

All receivables are expected to be recovered within 12 months.

## 9 Intangible assets

	As at	
	31 December 2019	30 June 2019
	\$	\$
Digital currency - cost	1,530,004	-
Accumulated amortisation	-	-
	<b>1,530,004</b>	<b>-</b>

## 10 Payables

	As at	
	31 December 2019	30 June 2019
	\$	\$
Trade creditors	850,928	256,342
Accruals	12,000	25,000
Loan payable - Gibraltar Capital	529,587	239,329
	<b>1,392,515</b>	<b>520,671</b>

All payables with the exception of the loan payable to Gibraltar Capital are due within 12 months.

## 11 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.



## 11 Related party transactions (continued)

### Responsible Entity's/Manager's fees and other transactions (continued)

- (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:

	Half-year ended	
	31 December 2019	31 December 2018
	\$	\$
Management and application fees for the year paid/payable by the Trust to Millinium Capital Managers Limited	50,486	53,372
Recoverable expenses for the year paid/payable by the Trust to Millinium Capital Managers Limited	171,930	442,598
Management fees payable to the Responsible Entity at the end of the reporting period	116,942	39,697
Related party loan	(529,587)	-

### 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 year period.

### Other related parties

Gibraltar Capital Pty Limited is a related party due to common directors of Tom Wallace and Paul Bray. At 31 December 2019 \$529,587 was owed to Gibraltar Capital Pty Limited in respect of cash advanced to the Trust to assist with legal proceedings against a former advisor. The loan agreement sets out the amounts owed are repayable 24 months after the loan was first made available, the interest rate will be 4%, and the total facility is \$739,065. The Trust also entered into a security agreement in favour of Gibraltar Capital Pty Limited over current and future assets of the Trust.

## 12 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.

## 13 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2019 (30 June 2019:nil).

## 14 Events occurring after the reporting period

No significant events have occurred since the reporting date which would impact on the financial position of the Trust disclosed in the statement of financial position as at 31 December 2019 or on the results and cash flows of the Trust for the period ended on that date.

### Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2019 and of its performance for the period ended on that date.
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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



Tom Wallace

Sydney, NSW  
28 February 2020

**RSM Australia Partners**

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[www.rsm.com.au](http://www.rsm.com.au)**INDEPENDENT AUDITOR'S REVIEW REPORT****TO THE MEMBERS OF****MILLINIUM'S ALTERNATIVE FUND****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Millinium's Alternative Fund which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Millinium's Alternative Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of Millinium's Alternative Fund, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Emphasis of matter*

We draw your attention to note 2 (d) which describes the uncertainty related to recoverability the costs of \$2,650,000 in connection with the property transaction for 240 Brunswick Street and 11 Overells Lane, Fortitude Valley, Brisbane which is contingent on the successful completion of the transaction. Our opinion is not modified in respect of this matter.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Millinium's Alternative Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



**RSM AUSTRALIA PARTNERS**



**David Talbot**  
Partner

Sydney, NSW

Dated: 28 February 2020