

# **Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1)**

ARSN 625 560 269

## **Interim report - 31 December 2020**

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The interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this interim financial report should be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made in respect of the Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1) during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim financial report covers the Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1) as an individual entity.

The Responsible Entity of the Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1) is Pinnacle Fund Services Limited (ABN 29 082 494 362). The Responsible Entity's registered office is Level 19, 307 Queen Street, Brisbane, QLD, 4000.

## **Directors' report**

The directors of Pinnacle Fund Services Limited, the Responsible Entity of the Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1) ("the Fund"), present their report together with the interim financial statements of the Fund for the half-year ended 31 December 2020.

The Fund was constituted on 26 April 2018, on 7 November 2018 listed as an exchange traded fund (ETF) on the ASX and commenced trading on 5 November 2018.

### **Principal activities**

The Fund is a registered managed investment fund domiciled in Australia.

The Fund aims to outperform the MSCI All Country World Net Index in AUD ("Benchmark") over the investment cycle (typically 3-5 years). The Fund typically invests in a select number of attractively valued companies listed on global share markets (usually a minimum of 30 holdings). The Fund may use exchange traded derivatives to achieve the equity exposure. In the absence of finding individual securities that meet Antipodes' investment criteria, cash may be held. The Fund intends to provide capital growth and income distributions over the long-term.

Antipodes Partners Limited is the Investment Manager of the Fund.

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

### **Directors**

The following persons held office as directors of Pinnacle Fund Services Limited during the half-year and up to the date of this report:

Mr I Macoun  
Mr A Ihlenfeldt  
Mr C Kwok  
Mr A Whittingham

The Responsible Entity also has a Compliance Committee consisting of one non-external member and three external members.

The functions of the Compliance Committee are set out in s601JC as being to:

- (a) monitor to what extent the Responsible Entity complies with each Scheme's Compliance Plan and report on its findings to the Responsible Entity;
- (b) report to the Responsible Entity any breaches of the Corporations Act involving a Scheme, or any breach of the provisions included in a Scheme's constitution in accordance with s601GA of which the Compliance Committee is aware or suspects;
- (c) report to ASIC if the Compliance Committee is of the view that the Responsible Entity has not taken, or does not propose to take, appropriate action to deal with a matter reported under paragraph (b) above; and
- (d) assess at regular intervals whether each Scheme's Compliance Plan is adequate and report to the Responsible Entity on the assessment, and to make recommendations to the Responsible Entity about any changes it considers should be made to a Scheme's Compliance Plan.

The committee met two times during the half-year.

### **Review and results of operations**

There have been no significant changes to the operations of the Fund since the previous financial period. The Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund.

## **Directors' report (continued)**

### **Review and results of operations (continued)**

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

	<b>Half-year ended</b>	
	<b>31 December</b>	31 December
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Total comprehensive income for the half-year	<u><b>3,446</b></u>	<u>1,282</u>

#### *Distributions*

No distribution was paid/payable in the current interim reporting period.

#### **Significant changes in state of affairs**

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the half-year.

#### **Matters subsequent to the end of the half-year**

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect:

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

#### **Likely developments and expected results of operations**

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

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund 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.

The outbreak of COVID-19 worldwide has led to extreme volatility in equities markets, which impacts the value of the Fund's assets. Governments have introduced significant fiscal stimulus, but it is still too soon to predict the longer-term economic impacts. The Directors of the Responsible Entity are monitoring the evolution of the situation closely. The Fund has procedures in place to actively monitor its service providers to ensure its continued operational effectiveness. In addition, the Fund is closely monitoring its investment policies, strategies, investment flows, performance and liquidity during this year. As at the date of this report, the fund has not experienced liquidity issues and has been able to facilitate all redemptions when due.

#### **Environmental regulation**

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

## Directors' report (continued)

### Rounding of amounts to the nearest thousand dollars

Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

### 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 directors.



Mr A Ihlenfeldt  
Director

Brisbane  
9 March 2021



## *Auditor's Independence Declaration*

As lead auditor for the review of Antipodes Global Shares (Quoted Managed Fund) for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Ben Woodbridge', written in a cursive style.

Ben Woodbridge  
Partner  
PricewaterhouseCoopers

Brisbane  
9 March 2021

**Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1)**  
**Condensed statement of comprehensive income**  
**For the half-year ended 31 December 2020**

**Condensed statement of comprehensive income**

		Half-year ended	
		31 December 2020	31 December 2019
	Notes	\$'000	\$'000
<b>Investment income</b>			
Interest income from financial assets at amortised cost		-	9
Dividend income		184	203
Net gains on financial instruments at fair value through profit or loss		3,555	1,291
Net (losses) on foreign exchange		(134)	(71)
<b>Total net investment income</b>		<b>3,605</b>	<b>1,432</b>
<b>Expenses</b>			
Management fees		139	137
Transaction costs		17	13
Other expenses		3	-
<b>Total operating expenses</b>		<b>159</b>	<b>150</b>
<b>Profit/(loss) for the half-year</b>		<b>3,446</b>	<b>1,282</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the half-year</b>		<b>3,446</b>	<b>1,282</b>
<b>Earnings per unit for profit attributable to unitholders of the Fund</b>			
Basic and diluted earnings per unit (cents)	7	<b>18.04</b>	27.43

*The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1)**  
**Condensed statement of financial position**  
**As at 31 December 2020**

**Condensed statement of financial position**

		<b>As at</b>	
	<b>31 December</b>		<b>30 June</b>
	<b>2020</b>		<b>2020</b>
Notes	<b>\$'000</b>		<b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents	<b>2,937</b>		2,411
Margin accounts	<b>76</b>		37
Receivables	<b>276</b>		69
Financial assets at fair value through profit or loss	<b>24,800</b>	4	<u>21,009</u>
<b>Total assets</b>	<b><u>28,089</u></b>		<u>23,526</u>
<b>Liabilities</b>			
Distributions payable	<b>-</b>		518
Payables	<b>449</b>		129
Financial liabilities at fair value through profit or loss	<b>168</b>	5	<u>29</u>
<b>Total liabilities</b>	<b><u>617</u></b>		<u>676</u>
<b>Net assets attributable to unitholders - equity</b>	<b><u>27,472</u></b>	3	<u>22,850</u>

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

**Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1)**  
**Condensed statement of changes in equity**  
**For the half-year ended 31 December 2020**

**Condensed statement of changes in equity**

	<b>Half-year ended</b>	
	<b>31 December</b>	31 December
	<b>2020</b>	2019
Notes	<b>\$'000</b>	\$'000
<b>Total equity at the beginning of the half-year</b>	<b>22,850</b>	23,284
<b>Comprehensive income for the half-year</b>		
Profit for the half-year	<b>3,446</b>	1,282
Other comprehensive income for the half-year	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half-year</b>	<b>3,446</b>	1,282
<b>Transactions with unitholders</b>		
Applications	3 <b>1,607</b>	2,009
Redemptions	3 <b>(538)</b>	(185)
Units issued upon reinvestment of distributions	3 <b>107</b>	244
<b>Total transactions with unitholders</b>	<u><b>1,176</b></u>	<u>2,068</u>
<b>Total equity at the end of the half-year</b>	<u><b>27,472</b></u>	<u>26,634</u>

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

**Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1)**  
**Condensed statement of cash flows**  
**For the half-year ended 31 December 2020**

**Condensed statement of cash flows**

	<b>Half-year ended</b>	
	<b>31 December</b>	31 December
	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments at fair value through profit or loss	<b>13,069</b>	9,509
Purchase of financial instruments at fair value through profit or loss	<b>(13,138)</b>	(11,688)
Transaction costs on financial instruments at fair value through profit or loss	<b>(17)</b>	(13)
Interest received	<b>-</b>	9
Dividend received	<b>158</b>	171
Other expenses paid	<b>(3)</b>	-
Other income received	<b>5</b>	-
Management fees paid	<b>(129)</b>	(131)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(55)</b>	(2,143)
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	<b>1,607</b>	2,055
Payments for redemptions by unitholders	<b>(538)</b>	(185)
Distributions paid	<b>(411)</b>	(4)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>658</b>	1,866
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>603</b>	(277)
Cash and cash equivalents at the beginning of the half-year	<b>2,411</b>	3,648
Effects of exchange rate changes on cash and cash equivalents	<b>(77)</b>	-
<b>Cash and cash equivalents at the end of the half-year</b>	<b>2,937</b>	3,371
Non-cash financing activities	<b>107</b>	244

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

**Notes to the interim financial statements**

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## **1 General information**

This interim financial report covers the Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1) ("the Fund") as an individual entity. The Fund is a registered managed investment fund (ARSN 625 560 269) was listed as an exchange traded fund (ETF) on the ASX on 7 November 2018.

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund aims to outperform the MSCI All Country World Net Index in AUD ("Benchmark") over the investment cycle (typically 3-5 years). The Fund typically invests in a select number of attractively valued companies listed on global share markets (usually a minimum of 30 holdings). The Fund may use exchange traded derivatives to achieve the equity exposure. In the absence of finding individual securities that meet the Fund's investment criteria, cash may be held. The Fund intends to provide capital growth and income distributions over the long-term.

The Responsible Entity of the Fund is Pinnacle Fund Services Limited ("the Responsible Entity"). The Responsible Entity's registered office is Level 19, 307 Queen Street, Brisbane, QLD 4000. The financial report is presented in the Australian currency.

The Responsible Entity is incorporated and domiciled in Australia.

The Custodian of the Fund is RBC Investor Services Trust.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Fund's annual financial report for the year ended 30 June 2020. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim report was authorised for issue by the directors on 9 March 2021. The directors of the Responsible Entity have the power to amend and reissue the interim report after they have been issued.

## **2 Basis of preparation of interim financial statements**

This interim report for the half-year ended 31 December 2020 has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

The financial statements are prepared on a historical cost basis except for financial assets & liabilities measured at fair value through profit or loss.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

There are no other standards, interpretations or amendments to existing standards that are not yet effective and that are expected to have a material impact on the Fund in the prior periods or will affect the current or future reporting periods, or will have an impact on foreseeable future transactions.

### **(a) Financial instruments**

#### *(i) Classification*

The Fund classifies its financial instruments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

## **2 Basis of preparation of interim financial statements (continued)**

### **(a) Financial instruments (continued)**

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

#### *(ii) Recognition/derecognition*

The Fund 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.

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Any gains or losses arising on derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) are included in the condensed statement of comprehensive income in the year the asset is derecognised as realised gains or losses on financial instruments.

#### *(iii) Measurement*

##### *Financial assets and liabilities at fair value through profit or loss*

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately in the statement of comprehensive income. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value.

Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at year end and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend income.

Further details on how the fair values of financial instruments are determined are disclosed in note 6 to the financial statements.

#### *(iv) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the condensed statement of financial position when there is 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.

### **(b) Net assets attributable to unitholders**

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to the unitholders, less any applicable transaction costs.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Fund. This amount represents the expected cash flows on redemption of these units.

## **2 Basis of preparation of interim financial statements (continued)**

### **(b) Net assets attributable to unitholders (continued)**

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributed to the puttable financial instrument over the life are based substantially on the profit or loss.

### **(c) Cash and cash equivalents**

For the purpose of presentation in the condensed statement of cash flows, cash and cash equivalents includes deposits held at call with financial institutions.

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

### **(d) Margin accounts**

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

### **(e) Investment income**

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not at fair value through profit or loss using the effective interest method.

Dividend income is recognised on the ex-dividend date. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in profit or loss.

### **(f) Expenses**

All expenses, including manager's fees, are recognised in the condensed statement of comprehensive income on an accruals basis.

### **(g) Income tax**

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to unitholders.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income.

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

### **(h) Distributions**

Distributions are payable as set out in the Fund's product disclosure statement and/or Fund's Constitution. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Fund.

### **(i) Increase/(decrease) in net assets attributable to unitholders**

Income not distributed is included in net assets attributable to unitholders. The Fund's distributions are classified as paid and payable in the statement of changes in equity.

## **2 Basis of preparation of interim financial statements (continued)**

### **(j) Foreign currency translation**

#### *(i) Functional and presentation currency*

Items included in the Fund'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 Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

#### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the condensed statement of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

### **(k) Due from/to brokers**

The due from brokers balance is held for collection and consequently measured at amortised cost. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

### **(l) Receivables**

Receivables may include amounts for dividends, interest and trust distributions and amounts due from brokers. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(f). Amounts are generally received within 30 days of being recorded as receivables.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent financial period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in profit or loss.

### **(m) Payables**

Payables include liabilities, amounts due to brokers and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

## **2 Basis of preparation of interim financial statements (continued)**

### **(n) Applications and redemptions**

Applications received for units in the Fund are recorded net of any entry fees, if any, when units are allocated in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets of the Fund divided by the number of units on issue, less any applicable transaction costs.

### **(o) Goods and Services Tax (GST)**

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 55%; hence investment management fees, custodial fees and 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.

### **(p) Use of estimates**

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the 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 Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments are fair valued using valuation techniques which are periodically reviewed by experienced personnel.

Valuation techniques include using 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 please see note 6 to the financial statements.

### **(q) Rounding of amounts**

The Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the 'rounding off' amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

### **(r) Earnings per unit**

Basic and diluted earnings per unit is calculated by dividing:

- the profit attributable to unitholders of the Fund, excluding any costs of servicing the Fund.
- by the weighted average number of units outstanding during the half-year.

## **3 Net assets attributable to unitholders**

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met (Refer to Note 2(b)). The Fund classifies a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

**Antipodes Global Shares (Quoted Managed Fund) (ASX: AGX1)**  
**Notes to the interim financial statements**  
**For the half-year ended 31 December 2020**  
**(continued)**

### 3 Net assets attributable to unitholders (continued)

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

	As at			
	31 December 2020 Units	31 December 2019 Units	31 December 2020 \$'000	31 December 2019 \$'000
Balance as at 1 July	4,593,119	4,463,202	22,850	23,284
Applications	292,579	376,021	1,607	2,009
Redemptions	(101,969)	(35,559)	(538)	(185)
Units issued upon reinvestment of distributions	21,499	46,759	107	244
Profit for the half-year	-	-	3,446	1,282
Closing balance	<u>4,805,228</u>	<u>4,850,423</u>	<u>27,472</u>	<u>26,634</u>

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

#### Capital risk management

The Fund considers its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Net assets attributable to unitholders are representative of the expected cash outflows on redemption, excluding any applicable transaction costs.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. The Fund's strategy was to hold a certain portion of the net assets attributable to unitholders in liquid investments. Liquid assets include cash and cash equivalents and listed equities. Under the terms of the Fund's Constitution, 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 unitholders.

### 4 Financial assets at fair value through profit or loss

	As at	
	31 December 2020 \$'000	30 June 2020 \$'000
Forward foreign exchange contracts	228	2
Options	20	18
Global listed equities	<u>24,552</u>	<u>20,989</u>
<b>Total financial assets at fair value through profit or loss</b>	<u><b>24,800</b></u>	<u><b>21,009</b></u>

## 5 Financial liabilities at fair value through profit or loss

	<b>31 December</b>	<b>As at</b>
	<b>2020</b>	30 June
	<b>\$'000</b>	2020
		\$'000
Forward foreign exchange contracts	<u>168</u>	<u>29</u>
<b>Total financial liabilities at fair value through profit or loss</b>	<b><u>168</u></b>	<b><u>29</u></b>

## 6 Fair value measurements

The Fund measures and recognises the below financial assets and liabilities at fair value through profit or loss on a recurring basis.

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

### Fair value hierarchy

#### *Classification of financial assets and financial liabilities*

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

#### *(i) Fair value in an active market (Level 1)*

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

The Fund values its investments in accordance with the accounting policies set out in the annual financial statements for the year ended 30 June 2020. For the majority of its investments, the Fund 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 Fund is the last traded price; the appropriate quoted market price for financial liabilities is the last traded price. When the Fund 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.

## **6 Fair value measurements (continued)**

### **Fair value hierarchy (continued)**

*(ii) 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 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 management's 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 valuation techniques, 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.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The foreign currency contracts are valued at the forward rate.

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

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

Valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

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 Fund for similar financial instruments.

## 6 Fair value measurements (continued)

### Fair value hierarchy (continued)

#### Recognised fair value measurements

The tables below set out the Fund's financial assets and liabilities measured at fair value according to the fair value hierarchy at 31 December 2020 and 30 June 2020.

#### As at 31 December 2020

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss:				
Forward foreign exchange contracts	-	228	-	228
Options	13	7	-	20
Global listed equities	24,552	-	-	24,552
<b>Total financial assets</b>	<b>24,565</b>	<b>235</b>	<b>-</b>	<b>24,800</b>
Financial liabilities at fair value through profit or loss:				
Forward foreign exchange contracts	-	168	-	168
<b>Total financial liabilities</b>	<b>-</b>	<b>168</b>	<b>-</b>	<b>168</b>

#### As at 30 June 2020

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss:				
Forward foreign exchange contracts	-	2	-	2
Options	18	-	-	18
Global listed equities	20,989	-	-	20,989
<b>Total financial assets</b>	<b>21,007</b>	<b>2</b>	<b>-</b>	<b>21,009</b>
Financial liabilities at fair value through profit or loss:				
Forward foreign exchange contracts	-	29	-	29
<b>Total financial liabilities</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>29</b>

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

There were no transfers between levels for the half-year ended 31 December 2020 or the year ended 30 June 2020.

## 7 Earnings per unit

Earnings per unit amounts are calculated by dividing net profit attributable to unitholders before distributions by the weighted average number of units outstanding during the half-year.

	<b>31 December 2020</b>	31 December 2019
	<b>Cents per unit</b>	Cents per unit
Operating profit attributable to unitholders	<b>3,445,530</b>	1,282,195
Weighted average number of units on issue	<b>883,389</b>	4,673,716
Basic and diluted earnings per unit (cents)	<b>18.04</b>	27.43

## 8 Related party transactions

There have been no significant changes to the related party transactions disclosed in the previous annual financial report.

All transactions with related parties are conducted on normal terms and conditions. From time to time the Responsible Entity or its director-related entities may invest or withdraw from the Funds. These investments or withdrawals are on the same terms and conditions as those entered into by other fund investors and are not material in nature.

## 9 Segments information

The Fund is organised into one main operating segment with only one key function in Australia, being the investment of funds.

## 10 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as at 31 December 2020 or on the results and cash flows of the Fund for the half-year ended on that date.

## 11 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2020 and 30 June 2020.

## **Directors' declaration**

In the opinion of the directors of the Responsible Entity:

- (a) the interim financial report and notes set out on pages 6 to 20 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards and, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Mr A Ihlenfeldt  
Director

Brisbane  
9 March 2021



## **Independent auditor's review report to the unitholders of Antipodes Global Shares (Quoted Managed Fund)**

### ***Report on the half-year financial report***

#### ***Conclusion***

We have reviewed the half-year financial report of Antipodes Global Shares (Quoted Managed Fund) (the Registered Scheme) which comprises the Condensed statement of financial position as at 31 December 2020, the Condensed statement of comprehensive income, Condensed statement of changes in equity and Condensed statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors of the Responsible Entity's declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Antipodes Global Shares (Quoted Managed Fund) does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Registered Scheme's financial position as at 31 December 2020 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibility of the directors of the Responsible Entity for the half-year financial report***

The directors of the Responsible Entity 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 of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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*Auditor's responsibility for the review of the half-year financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Registered Scheme's financial position as at 31 December 2020 and of 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*.

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.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Ben Woodbridge'.

Ben Woodbridge  
Partner

Brisbane  
9 March 2021