



**ALTRINSIC GLOBAL
EQUITIES TRUST**

ARSN 152 997 290
For the year ended
30 June 2020

FINANCIAL REPORT

Altrinsic Global Equities Trust
ARSN 152 997 290
Financial Report
For the year ended 30 June 2020

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Directors' Report

The Directors of Antares Capital Partners Limited, the Responsible Entity of Altrinsic Global Equities Trust (the 'Scheme'), present their report together with the financial report of the Scheme for the year ended 30 June 2020 and the independent audit report thereon.

Directors of the Responsible Entity

The names of the persons who were Directors of Antares Capital Partners Limited during or since the year ended 30 June 2020 are as follows:

Name	Appointment / Resignation Date
J G Duffield	Appointed 7 July 2014
P Gupta	Appointed 7 July 2014
C M Keating	Resigned 31 March 2020
G J Mulcahy	Appointed 7 July 2014
K A Watt	Appointed 5 December 2016

The registered office of Antares Capital Partners Limited is located at Ground Floor, MLC Building, 105-153 Miller Street, North Sydney NSW 2060.

Principal activities

The Scheme is an unlisted registered managed investment scheme domiciled in Australia.

The Scheme invests and transacts in listed equities and derivatives in accordance with the provisions of the Constitution of the Scheme. Investment activities include the use of derivatives to reduce the volatility of investment returns due to currency exchange rate fluctuations.

The Scheme did not have any employees during the current and previous year.

There have been no significant changes to the activities of the Scheme during the year.

The Scheme is a for-profit entity for the purpose of preparing financial statements.

Result and review of operations

The result of the operations of the Scheme is disclosed in the Statement of Profit or Loss and Other Comprehensive Income. The result is affected by the performance of the markets to which the Scheme has exposure.

For details in relation to the Scheme's investment exposure and strategy, information can be obtained from the Product Disclosure Statement.

Distributions

The distributions for the year ended 30 June 2020 were as follows:

	\$'000	Cents per unit
Distributions paid/payable	18,403	10.68

Units on issue

Units on issue as at year end and movements during the year are shown in the Statement of Changes in Unitholders Fund.

The total assets of the Scheme are set out in the Statement of Financial Position. The basis for valuation of the Scheme's assets is disclosed in Note 1 to the financial statements.

State of affairs

The Responsible Entity's ultimate parent entity National Australia Bank Limited ("NAB") announced on 31 August 2020 the agreement for IOOF to acquire MLC from NAB. The transaction is subject to certain conditions and regulatory approvals; with the ultimate parent entity expected to change when the acquisition is complete. In the opinion of the Directors this transaction does not impact on the Responsible Entity's ability to provide its fiduciary duties.

During the months of March and April 2020 there was a challenging environment with significant market volatility as well as impacts to what was previously considered normal working domain. The pandemic situation continues to evolve with government, business and community responses changing accordingly. MLC is taking sensible actions to ensure it remains fully operational and available to our clients at the same time constantly assessing operational resilience of critical outsourced providers, including but not limited to Investment Managers, Custodians and Administrators and the services they provide. This includes ensuring that the value of certain assets and liabilities recorded in the Statement of Financial Position determined by reference to fair or market values.

In the opinion of the Responsible Entity, there were no other significant changes in the state of affairs of the Scheme that occurred during the year unless otherwise disclosed.

Likely developments

The Scheme will continue to pursue its policy of competitive returns through a selection process that identifies investment managers in each asset class.

Further information about likely developments in the operations of the Scheme and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Scheme.

Auditor's independence

The Directors received a declaration of independence which was issued in accordance with section 307C of the *Corporations Act 2001* from the auditor of the Scheme, a copy of which is attached to the Directors' Report on page 5.

Events subsequent to the balance date

Between the year end and the date of this report, there has not been any other item, transaction or event of a material and unusual nature that, in the opinion of the Responsible Entity, is likely to significantly affect the operations of the Scheme, the results of those operations or the state of affairs of the Scheme, in future financial years.

Interests of the Responsible Entity

Units held by Antares Capital Partners Limited and its related parties in the Scheme during the financial year ended 30 June 2020 are detailed in Note 8(h) to the financial statements.

Fees paid to the Responsible Entity during the financial year ended 30 June 2020 are detailed in Note 8(e) to the financial statements.

Environmental regulation

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

Indemnities and insurance premiums for Officers or Auditors

Indemnification

The Scheme has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an officer of the Responsible Entity or an auditor of the Scheme during the year.

Insurance premiums


During the year, the ultimate parent company of the Responsible Entity, National Australia Bank Limited, has paid, or agreed to pay, premiums in respect of its officers for liability, legal expenses, insurance contracts, and premiums in respect of such insurance contracts for the financial year ended 30 June 2020. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid have not been included as such disclosure is prohibited under the terms of the contracts.

Rounding

The Scheme meets the criteria set out in the *Corporations Instrument 2016/191* issued by the Australian Securities and Investments Commission, and in accordance with that Corporations Instrument, amounts in the financial report and the Directors' Report have been rounded off to the nearest thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors of Antares Capital Partners Limited:

Director: _____ 

Garry Mulcahy

Signature: _____

Dated at Sydney this 11th day of September 2020



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of Antares Capital Partners Limited, as Responsible Entity for Altrinsic Global Equities Trust

As lead auditor for the audit of the financial report of Altrinsic Global Equities Trust for the financial year ended 30 June 2020, I declare 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink, appearing to be 'Darren Handley-Greaves', written in a cursive style.

Darren Handley-Greaves
Partner
11 September 2020

Altrinsic Global Equities Trust
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Investment income			
Dividend income	2	5,580	7,242
Interest income		29	74
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		(7,539)	24,654
Other income		<u>-</u>	<u>29</u>
Total investment income/(loss)		<u>(1,930)</u>	<u>31,999</u>
Expenses			
Responsible Entity's fees	8(e)	3,014	3,714
Transaction costs		<u>372</u>	<u>310</u>
Total operating expenses		<u>3,386</u>	<u>4,024</u>
Net profit/(loss)		(5,316)	27,975
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>(5,316)</u>	<u>27,975</u>

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

Altrinsic Global Equities Trust
Statement of Financial Position
As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	10(b)	4,068	5,752
Receivables	6	1,393	1,430
Financial assets at fair value through profit or loss	5,9(c)	<u>249,383</u>	<u>294,827</u>
Total assets		<u>254,844</u>	<u>302,009</u>
Liabilities			
Payables	7	1,139	575
Distributions payable	4	<u>18,403</u>	<u>25,821</u>
Total liabilities		<u>19,542</u>	<u>26,396</u>
Unitholders fund		<u>235,302</u>	<u>275,613</u>

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

Altrinsic Global Equities Trust
Statement of Changes in Unitholders Fund
For the year ended 30 June 2020

	\$'000	Number of Units No. '000
Unitholders fund at 30 June 2018	288,616	192,261
Net profit/(loss)	27,975	-
Applications	52,575	33,569
Redemptions	(67,732)	(43,070)
Distributions paid/payable	<u>(25,821)</u>	<u>-</u>
Unitholders fund at 30 June 2019	275,613	182,760
Net profit/(loss)	(5,316)	-
Applications	57,133	36,548
Redemptions	(73,725)	(47,069)
Distributions paid/payable	<u>(18,403)</u>	<u>-</u>
Unitholders fund at 30 June 2020	<u>235,302</u>	<u>172,239</u>

The above Statement of Changes in Unitholders Fund is to be read in conjunction with the accompanying notes.

Altrinsic Global Equities Trust
Statement of Cash Flows
For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Dividend income received		5,679	7,182
Interest received		29	74
Other income received		-	29
Responsible Entity's fees paid		(3,092)	(4,054)
Transaction costs paid		<u>(372)</u>	<u>(310)</u>
Net cash provided by/(used in) operating activities	10(a)	<u>2,244</u>	<u>2,921</u>
Cash flows from investing activities			
Proceeds from sale of investments		147,543	145,577
Purchases of investments		<u>(109,655)</u>	<u>(111,511)</u>
Net cash provided by/(used in) investing activities		<u>37,888</u>	<u>34,066</u>
Cash flows from financing activities			
Applications received		49,082	47,367
Redemptions paid		(73,064)	(67,829)
Distributions paid		<u>(17,832)</u>	<u>(14,464)</u>
Net cash provided by/(used in) financing activities		<u>(41,814)</u>	<u>(34,926)</u>
Net increase/(decrease) in cash and cash equivalents		(1,682)	2,061
Cash and cash equivalents at the beginning of the financial year		5,752	3,693
Effect of exchange rate changes on the balances of foreign currencies		<u>(2)</u>	<u>(2)</u>
Cash and cash equivalents at the end of the financial year	10(b)	<u>4,068</u>	<u>5,752</u>

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTE 1 - 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.

The financial report of the Scheme for the financial year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 11 September 2020.

(a) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board ('AASB') and International Financial Reporting Standards ('IFRS'), as issued by the International Accounting Standards Board ('IASB').

(b) Basis of preparation

The Scheme's year end financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The assets and liabilities are measured on a fair value basis, 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 are designated as current assets and liabilities as they are expected to be recovered or settled within twelve months. Financial assets and liabilities at fair value through profit or loss and unitholders fund are expected to be settled upon contractual requirements.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The financial statements are presented in Australian Dollars, and all values are rounded to the nearest thousand dollars except where otherwise indicated.

(c) Basis of consolidation

The Scheme is an investment entity under the definition in AASB 10 *Consolidated Financial Statements* and, as such, does not consolidate any entities subject to its control. The Scheme does not hold a controlling interest in any of its underlying investments and therefore is not required to provide additional disclosures.

(d) Unit prices

The unit price for the units of the Scheme is calculated as at the close of each business day.

(e) Terms and conditions on units

Each unit issued confers upon the unitholders of the Scheme an equal interest in the Scheme, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Scheme. Unitholders have various rights under the Constitution and the *Corporations Act 2001*, including the right to:

- (i) have their units redeemed;
- (ii) accumulate income, which is reflected in the unit price;
- (iii) attend and vote at meetings of unitholders; and
- (iv) participate in the termination and winding up of the Scheme.

The rights, obligations and restrictions attached to any unit of the Scheme are identical in all respects.

(f) Financial assets and liabilities at fair value through profit or loss

The Scheme has classified all of its investments as at fair value through profit or loss including derivatives which are held for risk management purposes.

Investments are valued at their fair value as at reporting date. Gains and losses arising from changes in the fair value of the financial assets and liabilities at fair value through profit or loss are included in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value with movements taken to the Statement of Profit or Loss and Other Comprehensive Income. Fair values are obtained from quoted market prices in active markets and valuation techniques, including discounted cash flow models and options pricing models. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets and liabilities at fair value through profit or loss (continued)

Financial assets and liabilities are offset and the net amount reported in the 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.

Foreign Exchange Forward Contracts

The value of a foreign exchange forward contract fluctuates with changes in currency exchange rates. The forward is marked to market daily.

(g) Fair value measurement

Assets and liabilities measured at fair value in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement in its entirety as detailed below:

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

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

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

(h) Significant accounting judgements, estimates or assumptions

The Scheme may make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements.

Estimates and assumptions

Estimates are continually evaluated and based on historical experience, available information and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of financial assets and liabilities at fair value through profit or loss

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

The Scheme measures investments in financial assets and financial liabilities at fair value through profit or loss. Management applies judgement in selecting valuation techniques where there is no market price available for an instrument. Further details on the determination of fair values of financial instruments are set out in Note 9(g).

The Scheme has assessed the impact of credit/debit value adjustments to its derivative positions to comply with the requirements of AASB 13 *Fair Value Measurement*, and concluded that there are no significant adjustments to the valuation of derivatives.

Judgements

(i) The Scheme meets the definition of an investment entity under AASB 10 *Consolidated Financial Statements*, and therefore is required to measure its interests in controlled entities at fair value through profit or loss. The criteria which define an investment entity are as follows:

- (a) An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- (b) An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- (c) An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

(ii) The investments in the Scheme have been and will continue to be monitored for appropriateness of valuation due to impacts of market volatility including the recent impact due to COVID-19. Accordingly, no adjustments have been made to the financial statements for market volatility including impacts due to COVID-19.

(i) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank.

(j) Receivables

Receivables may include amounts for dividends, interest, outstanding settlements and other income and are measured initially at fair value plus transaction costs. The impact of expected credit losses on financial assets measured at amortised cost is insignificant. Amounts are generally received within 30 days of being recorded as a receivable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Payables

Payables include outstanding settlements and accrued expenses owing by the Scheme which are unpaid as at balance date. They are measured initially at fair value plus transaction costs.

(l) Foreign currency transactions

Transactions during the year denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Overseas investments and monetary items held, together with any accrued income, are translated at the exchange rate prevailing at the year end.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in the Statement of Profit or Loss and Other Comprehensive Income as part of the 'Changes in the fair value of financial assets and liabilities at fair value through profit or loss'.

(m) Income and expenses

Revenue is brought to account on an accrual basis except where otherwise stated.

Dividend income from listed securities is recognised on the date the shares are quoted ex dividend.

Changes in the fair value of investments are recognised as income and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or initial fair value (if the investment was acquired during the year).

Expenses are brought to account on an accrual basis.

The Responsible Entity is entitled to receive a fee, calculated in accordance with the Scheme's Constitution, for the provision of management services to the Scheme. The Responsible Entity is entitled to be reimbursed, under the Scheme's Constitution, for certain expenses incurred in administering the Scheme. The amount reimbursed has been calculated in accordance with the Scheme's Constitution.

Other expenses also include government duties and bank interest expense. Auditor's remuneration has not been charged against the Scheme's income as this cost is borne by the Responsible Entity.

(n) Taxation

The Scheme elected to have the taxation regime (AMIT) for the taxation of managed investment schemes apply for the 2018 tax year and later years of income. The Scheme is not subject to income tax as the taxable income (including assessable realised net capital gains) is fully attributed to the unitholders each year. Unitholders are taxed on the income attributed to them.

The unit price is based upon fair values of underlying assets and thus may include a share of unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed.

Net realised capital losses are not distributed to unitholders, but are retained to be offset against any future realised capital gains. Where realised assessable capital gains exceed realised capital losses, the excess will be distributed and attributed to unitholders as assessable income for taxation purposes.

(o) Distributions to unitholders

The income of the Scheme is accumulated and reinvested or paid to unitholders on the last day of June.

Distributable income does not include unrealised gains and losses arising on movements in the fair value of investments; as such, unrealised gains and losses are transferred to unitholders fund and are not attributed to unitholders as assessable income or distributed until realised.

Distributions are expressed as cents per unit for the distribution period.

(p) Goods and services tax

Responsible Entity fees and other expenses are recognised net of the amount of goods and services tax ('GST') recoverable from the Australian Taxation Office ('ATO') as a reduced input tax credit ('RITC').

Creditors and accruals are stated with the amounts of GST included.

The net amount of GST recoverable from the ATO is included in payables in the Statement of Financial Position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Derecognition of financial instruments

The derecognition of financial instruments takes place when the Scheme no longer controls the contractual rights of a financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(r) Capital management

The amount of unitholders fund can change significantly on a daily basis as the Scheme is subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Scheme.

In order to maintain or adjust the capital structure, the Responsible Entity may return capital to unitholders. The Scheme does not have any externally imposed capital requirements.

(s) Unitholders fund

The units can be put back to the Scheme at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the financial year, if unitholders exercised their right to put the units back to the Scheme.

The Scheme is single-class only and its units have been classified as equity.

(t) Application of accounting standards

New and amended standards and interpretations

Several standards and amendments, including AASB 16 *Leases* and AASB Interpretations 23 *Uncertain Tax Position* apply to the Scheme for the first time in 2020, however do not have an impact on the financial statements of the Scheme. The Scheme has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

NOTE 2 - DIVIDEND INCOME

	2020	2019
	\$'000	\$'000
Dividend income:		
Listed equities	<u>5,580</u>	<u>7,242</u>
	<u>5,580</u>	<u>7,242</u>

NOTE 3 - AUDITOR'S REMUNERATION

	2020	2019
	\$	\$
Total amount paid or due and payable to Ernst & Young:		
Audit of financial reports	7,889	7,019
Other assurance engagements	<u>5,326</u>	<u>4,514</u>
	<u>13,215</u>	<u>11,533</u>

Auditor's remuneration for the Scheme has been paid by the Responsible Entity. Other assurance engagements consist of compliance plan audit and specified procedures performed on the direct investments of the Scheme.

NOTE 4 - DISTRIBUTIONS

	\$'000	c/unit
2020		
June (payable)	<u>18,403</u>	<u>10.68</u>
	<u>18,403</u>	<u>10.68</u>
2019		
June (payable)	<u>25,821</u>	<u>14.13</u>
	<u>25,821</u>	<u>14.13</u>

NOTE 5 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	\$'000	\$'000
Listed equities		
Shares and units listed on a stock exchange	249,350	294,733
Financial Instruments		
Foreign exchange forward contracts	33	94
Total financial assets at fair value through profit or loss	249,383	294,827

NOTE 6 - RECEIVABLES

	2020	2019
	\$'000	\$'000
Unsettled unit applications	158	96
Dividend receivables	1,235	1,334
Receivables	1,393	1,430

NOTE 7 - PAYABLES

	2020	2019
	\$'000	\$'000
Outstanding settlements	-	19
Unsettled unit redemptions	976	315
Amounts owing to Responsible Entity	163	241
Payables	1,139	575

NOTE 8 - RELATED PARTIES

(a) Responsible Entity

The Responsible Entity of the Scheme is Antares Capital Partners Limited ABN 85 066 081 114, whose immediate holding company is MLC Wealth Limited (formerly known as National Wealth Management Services Limited) ABN 97 071 514 264 and the ultimate parent company is National Australia Bank Limited ABN 12 004 044 937.

The Responsible Entity is incorporated and domiciled in Australia.

(b) Key management personnel

Directors

The names of the persons who were Directors of Antares Capital Partners Limited at any time during the financial year were as follows:

Name	Appointment / Resignation Date
J G Duffield	Appointed 7 July 2014
P Gupta	Appointed 7 July 2014
C M Keating	Resigned 31 March 2020
G J Mulcahy	Appointed 7 July 2014
K A Watt	Appointed 5 December 2016

In addition to the Directors noted above, the Responsible Entity provides key management personnel services to the Scheme.

Key management personnel are paid by a related party of the Responsible Entity. Payments made from the Scheme to the Responsible Entity do not include any amounts directly attributable to key management personnel remuneration.

(c) Other related party transactions with the Scheme

From time to time the Directors of Antares Capital Partners Limited or their related entities may invest into or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors.

NOTE 8 - RELATED PARTIES (CONTINUED)

(d) Amounts payable to the Responsible Entity

The net amount of payables to Antares Capital Partners Limited by the Scheme at balance date is as follows:

	2020	2019
	\$	\$
Amounts owing to Responsible Entity	162,970	241,398

(e) Responsible Entity's fees

The Responsible Entity's fees have been calculated in accordance with the Scheme's Constitution. Total fees paid and payable (net of rebates where applicable) are as follows:

	2020	2019
	\$	\$
Responsible Entity's fees	3,014,490	3,714,060

(f) Expense reimbursement

The Responsible Entity is entitled, under the Scheme's Constitution, to be reimbursed for certain expenses incurred in administering the Scheme. The basis on which the expenses are reimbursable is defined in the Constitution. There were no expense reimbursements during the year (2019: Nil).

(g) Related party investments

The Scheme did not hold any shares in National Australia Bank Limited or units in other managed investment schemes operated by the Responsible Entity or its related parties at year end.

Cash and cash equivalents in the Statement of Financial Position for the Scheme are held with National Australia Bank Limited.

NAB Asset Servicing is the custodian for the directly held investments of the Scheme.

(h) Unitholder investing activities

Details of holdings in the Scheme by Antares Capital Partners Limited and its related parties or other schemes managed by Antares Capital Partners Limited and its related parties are set out below.

Antares Capital Partners Limited and its related parties	Number of units held No.	Interest held in the Scheme %	Fair value of investment \$	Distributions paid/payable \$
2020				
MLC Investments Limited	5,364,323	3.11	7,328,406	573,170
MLC Super Fund	47,061,794	27.32	64,292,907	5,028,485
2019				
MLC Investments Limited	5,280,935	2.89	7,963,949	746,113
MLC Super Fund	43,908,773	24.03	66,216,920	6,203,620
MLC Navigator Investment Platform	104,376,327	57.11	157,405,423	14,746,736

NOTE 9 - FINANCIAL RISK MANAGEMENT

(a) Financial risk management objectives, policies and processes

The Scheme's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk, equity and other price risk), liquidity and cash flow risk. The Scheme's overall risk management programme is aligned to the investment strategy of the Scheme as detailed in its Constitution and Product Disclosure Statement. It focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance. The Responsible Entity monitors the risk management framework, which is performed internally and reported on a quarterly basis. The Scheme may use derivative financial instruments to moderate certain risk exposures.

NOTE 9 - FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

The Scheme takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

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

The Scheme restricts its exposure to credit losses on trading derivative instruments by entering into master netting arrangements with counterparties (approved brokers). The credit risk associated with contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, there is the opportunity to settle outstanding amounts on a net basis. In accordance with the scheme's mandate, the Scheme's credit positions are monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis.

There was no significant credit risk in the Scheme as at 30 June 2020 and 30 June 2019.

(c) Financial assets and liabilities at fair value through profit or loss

Financial assets and financial liabilities are presented on a gross basis in the Statement of Financial Position as there is not an enforceable legal right to offset the recognised amounts. In the normal course of business, the Scheme also enters into various master netting agreements or similar arrangements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as default on contracts.

Offsetting financial assets and financial liabilities

	2020			2019		
	Amounts not offset		Net amount	Amounts not offset		Net amount
	Other financial instruments	Cash collateral		Other financial instruments	Cash collateral	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Foreign exchange forward contracts	33	-	33	94	-	94
Closing balance	33	-	33	94	-	94
Financial liabilities						
Foreign exchange forward contracts	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-

(d) Market risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate due to changes in foreign exchange rates.

The Scheme is exposed to foreign currency risk as a result of investments in financial instruments denominated in foreign currencies. The Scheme may enter into foreign currency contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

The foreign currency sensitivities set out below are illustrative only and are based on simplified scenarios. The figures represent the effect of the pro forma movements in foreign exchange rates and the Scheme's current foreign exchange risk profile.

NOTE 9 - FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Market risk (continued)

(i) Currency risk (continued)

The following table summarises the Scheme's direct exposure to foreign currency risk on its monetary assets and liabilities net of any applied foreign currency economic hedges at 30 June 2020. The analysis calculates the effect on the Statement of Profit or Loss and Other Comprehensive Income of the reasonably possible change in currency rate against the Australian dollar with all other variables held constant.

Currency	2020				2019			
	Change in currency rate		Effect on Statement of Profit or Loss and Other Comprehensive Income \$'000		Change in currency rate		Effect on Statement of Profit or Loss and Other Comprehensive Income \$'000	
	+	-	+	-	+	-	+	-
USD	10 %	-10 %	13,773	(13,773)	10 %	-10 %	16,559	(16,559)
EUR	10 %	-10 %	4,859	(4,859)	10 %	-10 %	4,087	(4,087)
JPY	10 %	-10 %	2,181	(2,181)	10 %	-10 %	3,257	(3,257)
CHF	10 %	-10 %	1,745	(1,745)	10 %	-10 %	2,931	(2,931)
GBP	10 %	-10 %	1,577	(1,577)	10 %	-10 %	1,759	(1,759)
CAD	10 %	-10 %	480	(480)	10 %	-10 %	471	(471)
Others*	10 %	-10 %	474	(474)	10 %	-10 %	579	(579)
Total			25,089	(25,089)			29,643	(29,643)

* Composed of monetary items denominated in various different currencies, the fair value of which do not individually exceed 2% of the unitholders fund at 30 June 2020 and 30 June 2019.

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

There was no significant direct interest rate risk in the Scheme as at 30 June 2020 and 30 June 2019.

(iii) Equity and other price risk

Equity and other price risk is the risk that the fair value of equities and unit prices decrease as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market.

To mitigate the impact of equity and other price risk the investment process ensures there is diversification of equity exposures within the Scheme.

Changes in price as disclosed in this note set out below are illustrative only and are based on simplified scenarios. These represent what is considered to be a reasonably possible change rather than extreme fluctuations that may occur from time to time. As such, actual future market movement may differ.

The effect on the Statement of Profit or Loss and Other Comprehensive Income due to reasonably possible changes in market factors, as represented by the equity indices, with all other variables held constant are indicated in the following table:

Category	2020				2019			
	Change in price		Effect on Statement of Profit or Loss and Other Comprehensive Income \$'000		Change in price		Effect on Statement of Profit or Loss and Other Comprehensive Income \$'000	
	+	-	+	-	+	-	+	-
International equities	10 %	-10 %	24,935	(24,935)	10 %	-10 %	29,473	(29,473)
Total			24,935	(24,935)			29,473	(29,473)

NOTE 9 - FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity and cash flow risk

The Scheme is exposed to daily cash redemptions of redeemable units. Therefore, it invests the majority of its assets in investments that are readily disposed of in an active market, which under normal market conditions are readily convertible to cash.

Unitholders fund is repayable on demand, subject to redemption freeze provisions. In addition the Scheme's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

In accordance with the Scheme's policies, the Scheme's liquidity position is monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis.

The Scheme's liabilities are expected to be settled within less than one month, except for amounts owing to the Responsible Entity which are expected to be settled within one to three months.

(f) Derivatives

The Scheme's derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments.

As at 30 June 2020, the overall direct market exposures were as follows:

	30 June 2020		30 June 2019	
	Contract amount \$'000	Fair value \$'000	Contract amount \$'000	Fair value \$'000
Derivative instruments:				
- Foreign exchange forward contracts	<u>36</u>	<u>33</u>	<u>149</u>	<u>94</u>
Total	<u>36</u>	<u>33</u>	<u>149</u>	<u>94</u>

(g) Fair value of financial instruments

The Scheme's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table details how the fair values of these financial assets and financial liabilities are determined in particular, other than Level 1, the use of observable and unobservable inputs are applied.

Financial assets/(liabilities)	Fair Value Hierarchy	Valuation Techniques
Foreign exchange forward contracts	2	Valued based on observable market data i.e. broker quoted prices.

Financial instruments	2020			2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Listed equity securities	249,350	-	-	294,733	-	-
Foreign exchange forward contracts	-	33	-	-	94	-
Total	<u>249,350</u>	<u>33</u>	<u>-</u>	<u>294,733</u>	<u>94</u>	<u>-</u>

There have been no transfers between the levels during the year.

NOTE 10 - NOTES TO THE STATEMENT OF CASH FLOWS

	2020	2019
	\$'000	\$'000
(a) Reconciliation of operating profit to net cash flows from operating activities		
Net operating profit/(loss)	(5,316)	27,975
Changes in the fair value of financial assets and liabilities at fair value through profit or loss	7,539	(24,654)
Changes in the assets and liabilities during the year:		
(Increase)/decrease in dividend receivables	99	(60)
Increase/(decrease) in amounts owing to Responsible Entity	(78)	(340)
Net cash provided by/(used in) operating activities	<u>2,244</u>	<u>2,921</u>

(b) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at bank	<u>4,068</u>	<u>5,752</u>
	4,068	5,752

(c) Non-cash financing and investing activities

Distributions to unitholders reinvested	<u>7,989</u>	<u>5,574</u>
	7,989	5,574

NOTE 11 - EVENTS OCCURRING AFTER THE BALANCE DATE

There has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to significantly affect the operations of the Scheme, the result of those operations or the state of affairs of the Scheme in future financial years.

NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES

The Scheme had no known commitments or contingent liabilities as at 30 June 2020 and 30 June 2019.


Directors' Declaration

In the opinion of the Directors of Antares Capital Partners Limited, the Responsible Entity of the Scheme:

The financial statements and notes set out on pages 6 to 19 are in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the financial position of the Scheme as at 30 June 2020 and its performance for the year ended on that date;
- (b) complying with Accounting Standards and *Corporations Regulations 2001*;
- (c) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable; and
- (d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

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

Director: _____

Garry Mulcahy

Signature: _____

Dated at Sydney this 11th day of September 2020



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Independent Auditor's Report to the Unitholders of Altrinsic Global Equities Trust:

Opinion

We have audited the financial report of Altrinsic Global Equities Trust (the 'Scheme'), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Scheme's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in grey ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in grey ink that reads 'Darren Handley-Greaves' in a cursive style.

Darren Handley-Greaves
Partner
Sydney
11 September 2020

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Important information

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