

Atticus Separately Managed Account

ARSN 619 459 264

Condensed Interim Financial Report

For the reporting period ended 31 December 2019

Responsible Entity

Ironbark Asset Management (Fund Services) Ltd

ABN: 63 116 232 154

AFSL: 298626



ATTICUS SEPARATELY MANAGED ACCOUNT

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This interim report covers Atticus Separately Managed Account ("the Scheme") as an individual entity.

This 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 report for the full-year ended 30 June 2019 and any public announcements made in respect of the Atticus Separately Managed Account during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Responsible Entity of Atticus Separately Managed Account is Ironbark Asset Management (Fund Services) Limited (IAML) ABN 63 116 232 154. The Responsible Entity's registered office is Level 13, 1 Margaret Street, SYDNEY NSW 2000.

This report is not an offer or invitation for investing in the Scheme. It does not take into account the investment objectives, financial situation and particular needs of the investor.

ATTICUS SEPARATELY MANAGED ACCOUNT

DIRECTORS' REPORT FOR THE HALF- YEAR ENDED 31 DECEMBER 2019

The directors of Ironbark Asset Management (Fund Services) Limited (IAML) the Responsible Entity of the Scheme, present their report together with the financial statements of the Scheme for the half-year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Scheme invests in Australian Stock Exchange (ASX) equities, exchange traded funds and other ASX listed entities, unlisted unit trusts and holds cash in accordance with the provisions of the Scheme's Constitution.

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

The primary aim of the Scheme is to provide investors with flexibility to build their personal portfolios using a range of investment strategies, referred to as model portfolios, to suit the investor's investment needs and objectives. The model portfolios are provided by Atticus Wealth Management Pty Ltd. The Scheme is currently only available for investment through a wrap platform offered or administered by Macquarie Investment Management Limited.

DIRECTORS

The following persons held office as directors of the Responsible Entity for the half-year and up to the date of this report:

Chris Larsen
Brendan Carpenter
Alex Donald

REVIEW AND RESULTS OF OPERATIONS

During the half-year, the Scheme continued to invest funds in accordance with investment strategies and model portfolios selected by investors and in accordance with the provisions of the Scheme's Constitution.

The investment policy of the Scheme remains detailed within the provisions of the governing documents of the Scheme.

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

	Half-year ended 31 December 2019	Half-year ended 31 December 2018
	\$	\$
Operating profit/(loss) before finance costs attributable to investors	<u>4,831,670</u>	<u>(4,528,605)</u>

ATTICUS SEPARATELY MANAGED ACCOUNT

**DIRECTORS' REPORT
FOR THE HALF- YEAR ENDED 31 DECEMBER 2019**

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR

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

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Scheme will continue to be managed in accordance with the investment objective and strategy set out in the governing document and in accordance with the Scheme's Constitution.

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

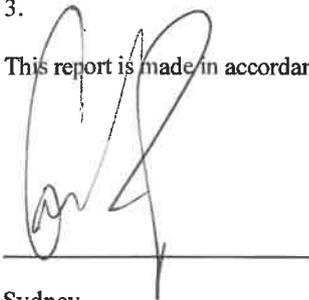
ROUNDING OF AMOUNTS TO THE NEAREST DOLLAR

The Scheme is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) *Instrument 2016/191* issued by ASIC relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded to the nearest dollar in accordance with that Class Order, 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 3.

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



Sydney
10 March 2020



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Ironbark Asset Management (Fund Services) Limited, as the
Responsible Entity of Atticus Separately Managed Account

I declare that, to the best of my knowledge and belief, in relation to the review of Atticus
Separately Managed Account for the half-year ended 31 December 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the
Corporations Act 2001 in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the
review.

KPMG

David Kells
Partner
Sydney
10 March 2020

ATTICUS SEPARATELY MANAGED ACCOUNT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Notes	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
Investment income			
Interest income		74,262	34,496
Dividend income		476,213	573,551
Distribution income		659,706	439,309
Net gains/(losses) on financial assets held at fair value through profit or loss		4,264,524	(5,051,145)
Total net investment income/(loss)		5,474,705	(4,003,789)
Expenses			
Responsible Entity and investment manager fees		643,035	524,816
Total operating expenses		643,035	524,816
Operating profit/(loss)		4,831,670	(4,528,605)
Finance costs attributable to investors			
Increase/(Decrease) in net assets attributable to investors	3	4,831,670	(4,258,605)
Profit/(loss) for the half-year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-
Represented by:			
Net profit/(loss) attributable to investors		4,831,670	(4,258,605)

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

ATTICUS SEPARATELY MANAGED ACCOUNT

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	As at 31 December 2019 \$	As at 30 June 2019 \$
ASSETS			
Cash and cash equivalents		12,493,751	20,059,248
Receivables		447,193	3,483,342
Due from brokers - receivables for securities		31,478	690,379
Financial assets held at fair value through profit or loss	4	167,354,420	138,647,852
Total assets		180,326,842	162,880,821
LIABILITIES			
Due to brokers – payables for securities		-	495,525
Payables		114,092	96,808
Total liabilities (excluding net assets attributable to investors)		114,092	592,333
Net assets attributable to investors – liability	3	180,212,750	162,288,488
REPRESENTED BY:			
Net assets attributable to investors		180,212,750	162,288,488

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

ATTICUS SEPARATELY MANAGED ACCOUNT
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Half-year ended 31 December 2019	Half-year ended 31 December 2018
	\$	\$
Total equity at the beginning of the half-year	-	-
Total comprehensive income for the half-year	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the half-year	-	-

Under Australian Accounting Standards, net assets attributable to investors are classified as a liability rather than equity. As a result there was no equity at the start or end of the half-year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

ATTICUS SEPARATELY MANAGED ACCOUNT
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Half-year ended 31 December 2019	Half-year ended 31 December 2018
	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	21,761,484	38,117,966
Purchase of financial instruments held at fair value through profit or loss	(45,734,030)	(43,368,029)
Dividends received	962,227	861,998
Interest received	74,262	34,496
Distributions received	3,209,841	2,108,891
Responsible Entity and investment manager fees	(625,751)	(516,565)
Net cash inflow/(outflow) from operating activities	(20,351,967)	(2,761,243)
Cash flows from financing activities		
Proceeds from applications by investors	21,788,402	16,719,417
Payments for withdrawals by investors	(9,001,932)	(5,687,530)
Net cash inflow/(outflow) from financing activities	12,786,470	11,031,887
Net Increase/(Decrease) in cash and cash equivalents	(7,565,497)	8,270,644
Cash and cash equivalents at the beginning of the half-year	20,059,248	3,656,612
Cash and cash equivalents at the end of the half-year	12,493,751	11,927,256

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

ATTICUS SEPARATELY MANAGED ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

1. General information

This interim financial report covers Atticus Separately Managed Account (“the Scheme”) as an individual entity. The Scheme was constituted on 30 May 2017 and registered as managed investment scheme domiciled in Australia on 13 June 2017. Pursuant to the Product Disclosure Statement lodged with the Australian Securities and Investments Commission dated 15 August 2017, the scheme first commenced accepting investment applications on 15 August 2017.

The financial statements were authorised for issue on the date indicated in the Directors’ report and do not reflect subsequent events post this date. The Directors’ have the power to amend these financial statements post their issue date.

The Responsible Entity of the Scheme is Ironbark Asset Management (Fund Services) Limited (“The Responsible Entity”). The Responsible Entity’s registered office is Level 13, 1 Margaret Street, SYDNEY NSW 2000. The financial report is presented in Australian dollars.

The Scheme will continue to be managed in accordance with the investment objective and strategy set out in the Scheme’s offer document and in accordance with the Scheme Constitution.

2. Basis of preparation

This general purpose financial report for the half-year ended 31 December 2019 has been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting*.

This interim financial 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 report for the year ended 30 June 2019 and any public announcements made in respect of the Scheme during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards applicable to interim financial reporting as issued by the International Accounting Standards Board.

New and amended standards adopted by the fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2019 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

ATTICUS SEPARATELY MANAGED ACCOUNT

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

3. Net assets attributable to investors

Movements in the net assets attributable to investors during the half-year were as follows:

As stipulated within the Scheme's Constitution, investors are beneficial owners of investments in their personal portfolios in the Scheme and have the right to sell the investments at prevailing market prices.

Under Australian Accounting Standards, net assets attributable to investors are classified as a liability. Consequently, the movement in net assets attributable to investors is recognised as finance costs in the current period's Statement of Comprehensive Income.

The Scheme endeavours to invest the applications received in appropriate investments while maintaining sufficient liquidity to meet withdrawals, such liquidity being augmented by disposal of securities where necessary.

	Half-year ended 31 December 2019	Half-year ended 31 December 2018
	\$	\$
	Liability	Liability
Opening balance	162,288,488	135,000,436
Applications		
- Cash	21,788,402	16,719,417
- Securities transferred in	4,788,135	7,079,208
Withdrawals		
- Cash withdrawals	(9,001,932)	(5,687,530)
- Securities transferred out	(4,482,013)	(5,145,483)
Increase/(decrease) in net assets attributable to investors	4,831,670	(4,528,605)
Closing balance	180,212,750	143,437,443

The Scheme is not unitised and therefore movements in units have not been shown.

ATTICUS SEPARATELY MANAGED ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

4. Financial assets held at fair value through profit or loss

	As at 31 December 2019	As at 30 June 2019
	\$	\$
Financial assets at fair value through profit or loss		
Equity securities listed on a prescribed stock exchange	57,208,763	56,756,036
Unlisted unit trusts	110,145,657	81,891,816
Total financial assets held at fair value through profit or loss	167,354,420	138,647,852
Unlisted unit trusts		
Units in domestic equity trusts	6,578,118	5,876,616
Units in domestic fixed interest trusts	14,761,415	16,071,073
Units in domestic property trusts	5,614,477	3,550,688
Units in international equity trusts	40,469,603	35,516,576
Units in international fixed interest trusts	16,297,339	11,293,730
Units in international absolute return trusts	14,221,342	3,913,629
Units in cash trusts	12,203,363	5,669,504
Total unlisted unit trusts	110,145,657	81,891,816

5. Fair value measurements

The carrying amounts of the Scheme's assets and liabilities at the statement of financial position date approximate their fair values.

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

The Scheme 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).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

ATTICUS SEPARATELY MANAGED ACCOUNT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

The table below sets out the Scheme's financial assets (by class) measured at fair value according to the fair value hierarchy at 31 December 2019 and 30 June 2019.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 31 December 2019				
Financial assets at fair value through profit or loss				
Equity securities	57,208,763	-	-	57,208,763
Unlisted unit trusts	-	110,145,657	-	110,145,657
Total financial assets	57,208,763	110,145,657	-	167,354,420

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2019				
Financial assets at fair value through profit or loss				
Equity securities	56,756,036	-	-	56,756,036
Unlisted unit trusts	-	81,891,816	-	81,891,816
Total financial assets	56,756,036	81,891,816	-	138,647,852

Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities.

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

There were no transfers between levels for the half-year.

6. Events occurring after reporting date

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Scheme disclosed in the balance sheet as at 31 December 2019 or on the results and cash flows of the Scheme for the half-year ended on that date.

7. Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2019.

ATTICUS SEPARATELY MANAGED ACCOUNT

DIRECTORS' DECLARATION

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Scheme's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

The directors declare that the notes to the financial statements include an explicit and unreserved statement of compliance with the International Financial Reporting Standards applicable to Interim Financial Reporting (see note 2).

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



Director
Sydney
10 March 2020



Independent Auditor's Review Report

To the members of Atticus Separately Managed Account

Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** of Atticus Separately Managed Account (the Fund).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of the Fund is not in accordance with the *Corporations Act 2001*, including:

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

The **Condensed Interim Financial Report** comprises:

- Condensed statement of financial position as at 31 December 2019;
- Condensed statement of comprehensive income for the half-year ended on that date;
- Condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date;
- Notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The half-year is the 6 months ended on 31 December 2019.

Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Ironbark Asset Management (Fund Services) Limited (the Responsible Entity) are responsible for:

- the preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the Condensed Interim Financial Report

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

David Kells
Partner
Sydney
10 March 2020