

UGC Platinum Alpha Fund

ABN 90 642 882 179

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The Directors of the Trustee, VT No. 2 Pty Ltd, present their report on the UGC Platinum Alpha Fund ('the Fund') for the year ended 30 June 2021. In order to comply with the provisions of the *Corporations Act 2001* the Directors report as follows:

1. Directors of Vasco Custodians Pty Ltd

The names of Directors of the Trustee in office at any time during the financial year are:

Craig Mathew Dunstan

Fiona Jean Dunstan

Directors of VT No. 2 Pty Ltd

The names of Directors of the current Trustee are:

Craig Mathew Dunstan

VT No. 2 Pty Ltd replaced Vasco Custodians Pty Ltd as trustee pursuant to a Deed of Retirement and Appointment on 17 September 2021.

2. Principal Activities

The Fund is a total return focused, concentrated, long term capital growth and tactical swing trading investment approach. This strategy will utilise a range of short-, medium- and long-term investment and trading strategies across the world's major investment markets. The strategy will primarily invest and trade in listed equities, listed equity exchange traded funds (ETFs), exchange traded and over-the counter equity, index, currency and commodity derivative instruments. The aim is to ensure the portfolio is appropriately positioned for maximum profit but suitably guarded against potential risks.

3. Operating Results

The operating profit of the Fund for the financial year ending 30 June 2021 was nil. (2020: \$ nil).

4. Review of Operations

The Fund was established on 15 September 2020 but as of 30 June 2021 had not commenced operations. The Fund has one unitholder being the Settlor.

As at 30 June 2021 the Fund had not issued an information memorandum. The first information memorandum was issued on 18 October 2021.

The Fund's ability to continue as a going concern is dependent upon the Investment Manager of the Fund, continuing to pay all the expenses related to the Fund.

5. Review of Performance

As the Fund has not commenced its operations as of 30 June 2021 there is no performance to review.

6. Unit Redemption Prices

The availability and timing of redemptions is subject to the terms of the Fund's Constitution. Further fees may apply upon redemption.

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021

7. Distributions Paid or Recommended

As the Fund has not commenced operations, no distributions have been paid or recommended.

8. Applications Held

The Fund has one unitholder being the Settlor with 10 units allocated.

9. Redemption Arrangements

As detailed in the Fund's Constitution the Trustee is not under any obligation to buy back, purchase or redeem units from unitholders. Consequently, no units were redeemed by the Trustee during the reporting period.

10. Options

No options over issued units or interests in the Fund were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The Directors and executives of the Trustee hold no options over interests in the Fund.

11. Proceedings on Behalf of the Fund

No person has applied for leave of court to bring proceedings on behalf of the Fund or intervene in any proceedings to which the Fund is a party for the purpose of taking responsibility on behalf of the Fund for all or any part of their proceedings. The Fund was not a party to any such proceedings during the period.

12. Value of Fund Assets

The Gross Asset Value of the Fund's assets at the end of the reporting period was \$10.

The Net Asset Value at the end of the reporting period was \$10.

13. Significant Changes in State of Affairs

Apart from those matters referred to in the previous sections of this Report, there have been no other significant changes to the state of affairs of the Fund during the financial year.

14. After Reporting Date Events

On 17 September 2021, Vasco Custodians Pty Ltd retired as Trustee of the Fund and VT No. 2 Pty Ltd was appointed.

On 18 October 2021 an information memorandum was issued.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years other than as disclosed in this report.

15. Future Developments

There are no future developments to report on which are not otherwise disclosed in this report.

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021

16. Indemnifying Officers or Auditor

During or since the end of the financial year, the Trustee has paid insurance premiums to insure each of the aforementioned Directors as well as officers of the Trustee against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the Trustee, other than conduct involving a willful breach of duty in relation to the Trustee.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Trustee has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer or auditor of the Trustee or of any related body corporate against a liability incurred as such an officer or auditor.

17. Fees, Commissions or Other Charges by the Trustee, Investment Manager or Related Parties

As at 30 June 2021 the Fund had not issued an information memorandum.

All costs in relation to the Fund are being borne by the Investment Manager.

18. Units held by the Trustee, Investment Manager or Related Parties

The Settlor holds 10 units and is a director of the Trustee.

19. Interests in the Fund

During the financial year, 10 units were issued to the Settlor.

20. Rounding of Amounts

The Fund is of a kind referred to in the *Australian Securities and Investments Commission's Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191*. Consequently, amounts in the financial statements have been rounded to the nearest dollar in accordance with that legislative instrument.

21. Environmental Issues

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

**UGC PLATINUM ALPHA FUND
ABN 90 642 882 179
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

Signed in accordance with a resolution of the Board of the trustee, VT No. 2 Pty Ltd by:

Craig Dunstan

Craig Dunstan

Director

Date: 23 December 2021

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UGC PLATINUM ALPHA FUND
ABN 90 642 882 179
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021	2020
		\$	\$
Revenue and other income			
Bank interest	2	-	-
Total revenue and other income		<u>-</u>	<u>-</u>
Expenses			
Trustee fees	3	-	-
Administration fees	3	-	-
Total expenses		<u>-</u>	<u>-</u>
Operating profit/(loss) before finance costs attributable to unitholders		<u>-</u>	<u>-</u>
Finance costs attributable to unitholders			
Distributions to unitholders paid		-	-
Total comprehensive income		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	2	10	-
Total current assets		<u>10</u>	<u>-</u>
Non-current assets			
Investments	4	-	-
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>10</u>	<u>-</u>
Liabilities			
Fees payable	5	-	-
Administration expenses payable	6	-	-
Total liabilities		<u>-</u>	<u>-</u>
Net assets		<u>10</u>	<u>-</u>
Represented by:			
Issued units	7 (a)	10	-
Undistributed profit/(loss) attributable to unitholders	7 (b)	-	-
Net assets attributable to unitholders		<u>10</u>	<u>-</u>

The accompanying notes form part of these financial statements

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Issued Capital	Revaluation Reserve	Retained Earnings	Total
		\$	\$	\$	\$
Balance as at 1 July 2019		-	-	-	-
Issue of share capital		-	-	-	-
Redemptions		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Distributions for the year		-	-	-	-
Balance as at 30 June 2020		-	-	-	-
Balance as at 1 July 2020		-	-	-	-
Issue of share capital		10	-	-	10
Redemptions		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Distributions for the year		-	-	-	-
Balance as at 30 June 2021		10	-	-	10

The accompanying notes form part of these financial statements

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Bank interest and commission rebate		-	-
Net cash provided by/ (used in) operating activities	9	-	-
Cash flows from investing activities			
Payment for investments		-	-
Net cash provided by/ (used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from units issued		10	-
Net cash provided by financing activities		10	-
Net increase in cash and cash equivalents		10	-
Cash and cash equivalents at the beginning of year		-	-
Cash and cash equivalents at the end of year	2	10	-

The accompanying notes form part of these financial statements

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial report is for the entity UGC PLATINUM ALPHA FUND ('the Fund') as an individual entity. The Fund is an unlisted managed investment Fund established and domiciled in Australia. The Trustee of the Fund is VT No. 2 Pty Ltd.

Basis of Preparation

(a) Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial report of the Fund complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

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

The financial statements were approved by the Board of Directors of the Trustee on 23 December 2021.

(b) Basis of measurement

The financial report is prepared on the historical cost basis except for the following material items in the statement of financial position:

Investment assets are measured at fair value.

(c) Going Concern

The financial report has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* which are based on the Fund continuing as a going concern. The going concern basis has been reviewed by the Directors.

The Fund was established on 15 September 2020 but as of 30 June 2021 had not commenced operations. The Fund has one unitholder being the Settlor.

The Fund's ability to continue as a going concern is dependent upon the Investment Manager of the Fund, continuing to pay all the expenses related to the Fund.

The Directors believe that the Fund will continue as a going concern and consequently will realise assets and settle liabilities and commitments in the ordinary course of business and at the amounts stated in the financial report.

(d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Fund's functional currency.

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Use of estimates and judgements

The preparation of financial statements requires the Directors of the Trustee to undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant accounting policies

(a) Financial instruments

Financial assets and financial liabilities are recognised on the Fund's Statement of Financial Position when the Fund becomes a party to the contractual provisions of the instrument.

(i) Measurement

Financial assets and financial liabilities are held at fair value through profit or loss.

Under this approach, financial assets and financial liabilities are generally measured initially at fair value excluding any transaction costs that are directly attributable to acquisition.

Subsequent to initial recognition, all financial instruments are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets are based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices on the reporting date, while financial liabilities are priced at current offer prices.

Fair value in an inactive or unquoted market

The fair values of financial assets and liabilities that are not traded in an active market are determined through the valuation policy identified in the Information Memorandum for the Fund.

(ii) Categorisation

The Fund's investments are categorised as follows:

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

Issued units

The Fund issues units which have a limited life under the Fund's Constitution and are classified as a liability in accordance with *AASB 132 Financial Instruments: Presentation*.

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

Where the Fund buys back any of its units from unitholders, the consideration paid, including any directly attributable incremental costs are recognised as a reduction in liability attributable to the Fund's unitholders.

(b) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST, and accruals are shown exclusive of GST.

(c) Income tax

Under current legislation, the Fund is not liable for income tax provided its taxable income is fully distributed to unitholders.

(d) Critical judgements and significant accounting estimates

The preparation of financial statements requires the Directors of the Trustee to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(f) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Fund that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue is deferred when fees are received upfront but where associated services are yet to be performed. Any consideration deferred for more than one year is treated as a financing arrangement and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of Goods and Services Tax (GST).

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Trade Receivables

Trade receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

(i) Foreign Exchange

Items included in the financial records are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Australian dollars, which is the presentation currency of the Fund.

(j) Provisions

Provisions are recognised when the Fund has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) New accounting standards and interpretations

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

NOTE 2: CASH AND CASH EQUIVALENTS

The Fund currently hold \$10 in cash as a result of the Settlor.

NOTE 3: TRUSTEE AND ADMINISTRATION FEES

There are no investors in the Fund as at 30 June 2021, accordingly there have been no fees or costs charged.

NOTE 4: INVESTMENTS

As at 30 June 2021, the Fund has not commenced operations.

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 5: FEES PAYABLE

	2021	2020
	\$	\$
Trustee fees payable	-	-
Administration fees payable	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

NOTE 6: ADMINISTRATION EXPENSES PAYABLE

	2021	2020
	\$	\$
Administration expenses payable	-	-
GST payable/(receivable)	-	-
Other accrued fees	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

NOTE 7: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	2021	2021	2020	2020
	Units	\$	Units	\$
(a) Issued units				
Opening balance	-	-	-	-
Units issued – applications	10	10	-	-
Closing balance	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>

Whilst the Fund has not commenced operations, there are 10 Settlor units in the Fund.

(b) Undistributed profit/(loss) attributable to unitholders

	2021	2020
	\$	\$
Opening balance	-	-
Operating profit/(loss) before finance costs attributable to unitholders	-	-
Distributions paid	-	-
Closing balance	<u>-</u>	<u>-</u>

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

(c) Capital management

The Fund regards total unitholders' interests as capital. The objective of the Fund is to provide unitholders with income-generating and capital growth. The Fund aims to achieve this objective mainly through potential investment properties located predominantly in Australian capital cities.

The Fund aims to invest to meet the Fund's investment objectives while maintaining sufficient liquidity to meet its commitments, including unitholder redemptions. The Trustee regularly reviews the performance of the Fund, including asset allocation strategies, investment and risk management.

NOTE 8: PERFORMANCE FEES & INVESTMENT MANAGEMENT FEES

The Fund has finalised a Product Disclosure Statement however given only 10 Settlor units have been allocated, no fees or costs have been charged.

NOTE 9: CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities with profit/ (loss) for the year

	2021	2020
	\$	\$
Profit/(loss) for the year	-	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	-	-
Increase/ (decrease) in payables	-	-
Cash flows from operating activities	<u>-</u>	<u>-</u>

NOTE 10: RELATED PARTY TRANSACTIONS

(a) Trustee

The Trustee of the Fund for the financial year was Vasco Custodians Pty Ltd.

(b) Investment Manager

The Investment Manager of the Fund is UGC Asset Management Pty Ltd.

(c) Administration Manager

The Administration Manager of the Fund is Vasco Fund Services Pty Ltd, a related party of the Trustee.

(d) Key management personnel

The Fund does not employ personnel in its own right. However, it has an incorporated Trustee, VT No. 2 Pty Ltd, to manage the activities of the Fund. The Directors of the Trustee are key management personnel of that corporate entity. No compensation is paid directly by the Fund to Directors or to any of the key management personnel of the Trustee. Payments made by the Fund to the Trustee do not specifically include any amounts attributable to the compensation of key management personnel.

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the period.

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

On 17 September 2021, Vasco Custodians Pty Ltd retired as Trustee of the Fund and VT No. 2 Pty Ltd was appointed.

On 18 October 2021 an information memorandum was issued.

As at the date of this report, there have been no other events subsequent to the reporting date that require additional disclosure

NOTE 13: FINANCIAL RISK MANAGEMENT

(a) Liquidity Risk

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

The Fund will hold investments in real estate, which are not considered to be assets that are readily realisable.

In order to address this risk, the Trustee retains broad discretion to restrict distributions, withdrawals and/or redemptions.

(a) Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Fund. The Fund is exposed to this risk for various financial instruments, for example, placing money at financial institutions or interest revenue that is paid in arrears. The Fund's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date.

The Trustee manages the exposure to credit risk on an ongoing basis. The Fund's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

(b) Market Risk

The Fund is exposed to market risk through its use of financial instruments and specifically to interest rate risk and property value risk, which results from both its operating and investing activities. Market risk is the risk that changes in market prices which will affect the Fund's income. Market risk embodies the potential for both loss and gains. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is monitored by the Trustee.

(c) Interest Rate Risk

The Fund's interest rate risk is monitored by the Trustee.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 14: TRUSTEE DETAILS

The registered office and the principal place of business of the Trustee are:

VT No. 2 Pty Ltd

Level 4

99 William Street

Melbourne Victoria 3000

UGC PLATINUM ALPHA FUND
ABN 90 642 882 179

DIRECTORS' DECLARATION

The Directors of VT No. 2 Pty Ltd, the Trustee, declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the Fund's financial position as at 30 June 2021 and of its performance for the period ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors of VT No. 2 Pty Ltd by:

Craig Dunstan

Craig Dunstan

Director

Date: 23 December 2021