

JAGA ALTERNATIVE INCOME FUND

(Formerly Millinium's Alternatives Fund)

ARSN 121 722 521

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

**JAGA ALTERNATIVE INCOME FUND
ARSN 121 722 521
FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

TABLE OF CONTENTS	PAGE
Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	5
Condensed Statement of Profit or Loss and Other Comprehensive Income	6
Condensed Statement of Financial Position	7
Condensed Statement of Changes in Equity	8
Condensed Statement of Cash Flows	9
Notes to the Condensed Financial Statements	10
Directors' Declaration	17
Independent Auditor's Review Report to the Unitholders of JAGA Alternative Income Fund	18

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

This half-year report covers the JAGA Alternative Income Fund as an individual entity.

The Responsible Entity of JAGA Alternative Income Fund is Millinium Capital Managers Limited (ABN 32 111 283 357). The Responsible Entity's registered office is Level 13, 50 Margaret Street, Sydney NSW 2000.

Corporate Directory

Responsible Entity	Millinium Capital Managers Limited ABN 32 111 283 357 AFSL 284 336
Directors of Responsible Entity	Tom Wallace Paul Bray (non-executive director) Otto Rieth (non-executive director) Michael Baragwanath (non-executive director)
Company Secretary	Tom Wallace
Principal Registered Office in Australia	Current address: Level 13, 50 Margaret Street Sydney NSW 2000
Share Register	Millinium Capital Managers Limited Current address: Level 13, 50 Margaret Street Sydney NSW 2000
Fund Administrator	Bacchus Associates Pty Limited Suite 9, Level 2, 56 Bowman Street Pyrmont NSW 2009
Custodian	Certes CT Pty Limited Level 19, 60 Castlereagh Street Sydney NSW 2000
Independent Auditor	RSM Australia Partners Level 13 60 Castlereagh Street Sydney NSW 2000
Solicitors	HWL Ebsworth Level 14, Australia Square 264-278 George Street Sydney NSW 2000
Website address	www.millinium.com.au

Directors' Report

The Directors of Millinium Capital Managers Limited (ABN 32 111 283 357), the Responsible Entity of JAGA Alternative Income Fund (the "Trust")(Formerly Millinium's Alternatives Fund), present their annual report together with financial statements of the Trust for the half-year ended 31 December 2021.

Principal activities

The Trust invests in accordance with the provisions of the Trust Constitution and the current Product Disclosure Statement.

There has been no significant change in the activities of the Trust during the half-year except as disclosed below.

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

Directors

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

Name

- Mr T. Wallace
- Mr P. Bray (non-executive director)
- Mr O. Rieth (non-executive director)
- Mr M. Baragwanath (non-executive director)(appointed 14 February 2022)

Changes in state of affairs

The Trust was previously listed on the Australian Securities Exchange ("ASX"), under the ASX code MAX. During the period the Trust was delisted from the ASX after deciding not to seek readmission.

The Trust is currently in negotiations to undertake a transaction where the Trust proposes to acquire a portfolio of hotel assets from a Sydney based investment group in return for the issue of units in the Trust.

The Trust continued to invest in accordance with target asset allocations as set out in the Trust Deed.

Review of results and operations

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

	Half-Year ended	
	31 December 2021	31 December 2020
	\$	\$
Operating profit/(loss) before financing costs attributable to unitholders	52,289	(1,049,494)
Distribution paid and payable	-	-
Distribution (cents per unit) 31 December	-	-

Trust assets

At 31 December 2021, the Trust held net assets to a total value of \$3,025,882 (30 June 2021: \$2,973,593).

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

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

Directors' Report (continued)

Distributions

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

Units on issue

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

The values of the Trust's assets and liabilities are disclosed on the statement of financial position and derived using the basis set out in Note 2 to the 30 June 2021 financial statements.

Environmental regulation

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

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

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

Indemnification and insurance of officers and auditors

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

Auditor's independence declaration

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

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



Tom Wallace

Sydney, NSW
20 October 2022

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Jaga Alternative Income Fund for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



David Talbot
Partner

Sydney, NSW
Dated: 20 October 2022

JAGA ALTERNATIVE INCOME FUND
 ARSN 121 722 521
 CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Half-year ended	
		31 December 2021 \$	31 December 2020 \$
Revenue			
Interest income		28,131	30,117
Net (loss)/gain on financial instruments held at fair value	4	409,235	(699,294)
Other investment income		-	9,898
Total investment profit/(loss)		437,366	(659,279)
Expenses			
Interest expenses		(6,500)	(22,604)
Management fees		(27,052)	(39,799)
Remuneration of auditors		(13,125)	(12,000)
Other operating expenses		(338,400)	(315,812)
Total operating expenses		(385,077)	(390,215)
Operating profit/(loss)		52,289	(1,049,494)
Profit/(loss) for the period		52,289	(1,049,494)
Other comprehensive income for the period		-	-
Total comprehensive income for the period		52,289	(1,049,494)

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

JAGA ALTERNATIVE INCOME FUND
 ARSN 121 722 521
 CONDENSED STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2021

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 December 2021 \$	30 June 2021 \$
Assets			
Cash and cash equivalents		1,976	21,651
Receivables	8	2,697,975	2,669,193
Financial assets held at fair value through profit or loss	7	<u>1,642,769</u>	<u>1,128,851</u>
Total assets		<u>4,342,720</u>	<u>3,819,695</u>
Liabilities			
Other payables	9	<u>1,316,838</u>	<u>846,102</u>
Total liabilities		<u>1,316,838</u>	<u>846,102</u>
Net assets		<u>3,025,882</u>	<u>2,973,593</u>
Equity	5	<u>3,025,882</u>	<u>2,973,593</u>

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

JAGA ALTERNATIVE INCOME FUND
ARSN 121 722 521
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Half-year ended	
	31 December 2021 \$	31 December 2020 \$
Total equity at the beginning of the period	2,973,593	4,479,127
Profit for the period	52,289	(1,049,494)
Other comprehensive income	-	-
Total comprehensive income	52,289	(1,049,494)
Transactions with unitholders	-	-
Distributions paid	-	-
Redemptions paid	-	-
Applications received	-	-
Applications cancelled	-	(200,000)
Total equity at the end of the period	3,025,882	3,229,632

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

JAGA ALTERNATIVE INCOME FUND
ARSN 121 722 521
CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended	
	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities		
Sale of financial instruments held at fair value through profit or loss	-	1,681,662
Interest received	-	30,117
Other investment income received	-	9,899
GST (paid)/received	(28,784)	1,650
Management and application fees paid	(27,052)	(39,799)
Payment of other operating expenses	(131,817)	(661,106)
Net cash inflow/(outflow) from operating activities	(187,653)	1,022,422
Cash flows from financing activities		
Proceeds from applications by unitholders	-	-
Proceeds from loan received/(paid)	167,978	(780,970)
Net cash inflow from financing activities	167,978	(780,970)
Net increase/(decrease) in cash and cash equivalents	(19,675)	241,452
Cash and cash equivalents at beginning of the period	21,651	61,374
Cash and cash equivalents at end of the period	1,976	302,826

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Contents	Page
1 General information	11
2 Summary of significant accounting policies	11
3 Fair value measurement	12
4 Net losses on financial instruments held at fair value through profit or loss	14
5 Equity	14
6 Distributions to unitholders	14
7 Financial assets held at fair value through profit or loss	15
8 Receivables	15
9 Payables	15
10 Related party transactions	15
11 Segment information	16
12 Contingent assets and liabilities and commitments	16
13 Events occurring after the reporting period	16

1 General information

These financial statements cover the JAGA Alternative Income Fund (the "Trust") as an individual entity. The financial statements are presented in the Australian currency for the half-year ended 31 December 2021.

The Trust is an Australian registered managed investment scheme under the *Corporations Act 2001*. The Trust commenced operations on 13 December 2006 and is domiciled in Australia.

The Responsible Entity of the Trust is Millinium Capital Managers Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 13, 50 Margaret Street, Sydney, NSW 2000.

The Responsible Entity is incorporated and domiciled in Australia.

The Trust invests in accordance with the provisions of the Trust Constitution and the current Product Disclosure Statement.

The financial statements were authorised for issue by the directors on 20 October 2022. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

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

The half-year financial report should be read in conjunction with the Annual Financial Report of the Trust for the year ended 30 June 2021. It is also recommended that the half-year financial report be considered together with any public announcements made by the Trust during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of preparation of interim report

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

The accounting policies applied in these interim financial statements are the same as those applied in the Trust's financial statements as at and for the year ended 30 June 2021.

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

(b) New and amended standards adopted by the Trust

There are no new accounting standards and interpretations that have been published that are mandatory for the 31 December 2021 reporting period and have been adopted by the Trust. There are no other standards that are not yet effective and that are expected to have a material impact on the Trust in the current or future reporting periods and on foreseeable future transactions.

(c) Significant judgements

Waltons Development

Millinium Capital Managers Limited, as responsible entity of JAGA Alternative Income Fund (the "Trust"), entered into an implementation deed in respect of a proposed and conditional investment in a mixed use property development project for 240 Brunswick Street and 11 Overells Lane, Fortitude Valley, Brisbane, during the financial year ended 30 June 2019. The Trust's participation in the proposed transaction was subject to a number of conditions which were yet to be finalised as at 30 June 2021, and management had exercised their judgement in determining the proposed transaction was highly likely to occur. Therefore the deposits paid in respect of the acquisition were expected to be recovered as a reduction to the purchase price.

In the six month period ending 31 December 2021 the agreement has not proceeded due to matters arising from the ASX suspension and COVID-19 related issues. However, management expect that the transaction is highly likely to complete in the coming months, but under a different structure to the original transaction. Management have exercised their judgment and consider that costs incurred to date of \$2,650,004 will be recouped in full on completion of the transaction.

Volt Corporation Limited

The Trust currently owns shares in Volt Corporation Limited (Volt), an unlisted Australian company, which was the holder of authorised deposit-taking institution (ADI) licence. Volt has recently announced that it will be handing this ADI licence back to APRA.

Volt was required to maintain a minimum NTA, and is also the holder of various IP related to its neo-banking platform, which continues to have a value in the market. The Trust is also protected from downwards valuations in the valuation of the company through the purchase agreement. Accordingly, Management has exercised their judgment and continued to maintain the investment at the most recent quoted price.

(d) Going concern

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

As disclosed in the financial statements, the Trust incurred a gain of \$52,289 and had net cash outflow from operating activities of \$187,653 for the half year ended 31 December 2021. The ability of the Trust to continue as a going concern is contingent on a number of factors, including improved performance of investments held and completion of targeted asset allocation projects in progress.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Trust will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors of the responsible entity believe that there are reasonable grounds to believe that the Trust will be able to continue as a going concern, after consideration of the following factors:

- The Trust has net assets of \$3,025,882
- The Trust has a loan agreement which provides a \$1.5 million facility to support litigation costs and working capital, and
- The Trust is in advanced negotiations to complete the Walton's Project and the directors are confident that the Trust will have access to finance to fund the acquisition and transaction costs
- Trust is currently in advance negotiations on further equity contributions

3 Fair value measurement

The Trust measures and recognises its financial assets and liabilities held at fair value through profit or loss on a recurring basis.

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

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

3 Fair value measurement (continued)

(a) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The Trust values its investments in accordance with the accounting policies set out in Note 2 of the financial statements. For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Trust is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(b) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

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

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar financial instruments.

(c) Recognised fair value measurements

The table below presents the Trust's financial assets and liabilities measured and recognised at fair value as at 31 December 2021 and 30 June 2021.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 31 December 2021				
Financial assets				
Financial assets designated at fair value through profit or loss	-	1,218,641	424,128	1,642,769
Total financial assets	-	1,218,641	424,128	1,642,769
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 30 June 2021				
Financial assets				
Financial assets designated at fair value through profit or loss	-	1,128,851	-	1,128,851
Total financial assets	-	1,128,851	-	1,128,851

3 Fair value measurement (continued)

(c) Recognised fair value measurements (continued)

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

Transfer between levels

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

During the period ending 31 December 2021 Management exercised their judgement and revalued the Trust's investment in an overseas unlisted company. Accordingly, the investment has been transferred from Level 2 to Level 3. There were no transfers between levels in the fair value hierarchy for the year ended 30 June 2021.

(d) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior half-year.

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

	Half-year ended	
	31 December	31 December
	2021	2020
	\$	\$
Financial assets		
Net realised losses on financial instruments held at fair value through profit or loss	-	(629,408)
Net unrealised gain/(losses) on financial instruments held at fair value through profit or loss	409,235	(69,886)
Total net gain/(losses) on financial instruments held at fair value through profit or loss	<u>409,235</u>	<u>(699,294)</u>

5 Equity

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

	Half-year ended		Year ended	
	31 December	31 December	30 June	30 June
	2021	2021	2021	2021
	No.	\$	No.	\$
Net assets attributable to unitholders				
Opening balance	2,494,270	2,973,593	2,494,270	4,479,126
Applications received	-	-	-	-
Applications cancelled	-	-	-	(200,000)
Redemptions	-	-	-	-
Increase in net assets attributable to unitholders	-	52,289	-	(1,305,533)
Closing Balance	<u>2,494,270</u>	<u>3,025,882</u>	<u>2,494,270</u>	<u>2,973,593</u>

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

Capital risk management

The Trust's Constitution provides that a unitholder may request that the responsible entity redeem the unitholders units, however there is no obligation on the responsible entity to do so.

6 Distributions to unitholders

No distributions were paid/payable during the half-year ended 31 December 2021 (31 December 2020: Nil).

7 Financial assets held at fair value through profit or loss

	As at	
	31 December 2021 \$	30 June 2021 \$
Designated at fair value through profit or loss		
Unlisted equity	1,642,769	1,128,851
Total designated at fair value through profit or loss	1,642,769	1,128,851
Total financial assets	1,642,769	1,128,851

8 Receivables

	As at	
	31 December 2021 \$	30 June 2021 \$
Other receivables	7,373	7,373
GST receivable	40,598	11,816
Project Waltons deposit	2,650,004	2,650,004
	2,697,975	2,669,193

All receivables are expected to be recovered within 12 months.

9 Payables

	As at	
	31 December 2021 \$	30 June 2021 \$
Management fees payable	31,500	4,448
Sundry payables	1,105,360	816,654
Audit fees payable	12,000	25,000
Loans Payable	167,978	-
Related party loan	-	-
	1,316,838	846,102

10 Related party transactions

Responsible Entity

The Responsible Entity of JAGA Alternative Income Fund is Millinium Capital Managers Limited.

Key management personnel compensation

Key management personnel are paid by Millinium Capital Managers Limited. Payments made from the Trust to Millinium Capital Managers Limited do not include any amounts directly attributable to the compensation of key management personnel.

Responsible Entity's/Manager's fees and other transactions

Under the terms of the Trust Constitution, the Responsible Entity is entitled to receive fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Trust as follows:

- (i) management fee payable to the Responsible Entity is 1.25% plus GST per annum.

10 Related party transactions (continued)

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

- (ii) application fees payable to the Responsible Entity are calculated at 5% (GST inclusive, net of RITC) of any application money received.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register are reimbursed in accordance with the Trust Constitution.

The transactions during the year and the amounts payable at year end between the Trust and the Responsible Entity were as follows:

	Half-year ended	
	31 December 2021 \$	31 December 2020 \$
Management and application fees for the year paid/payable by the Trust to Millinium Capital Managers Limited	27,052	39,799
Recoverable expenses for the year paid/payable by the Trust to Millinium Capital Managers Limited	62,017	1,241
Management fees payable to the Responsible Entity at the end of the reporting period	31,500	19,976
Related party loan	-	-

Related party unitholdings

There was no interest in the Trust held by other managed investment schemes also managed by the Responsible Entity.

Investments

The Trust did not hold investments in any schemes which were managed by the Responsible Entity during the year period.

Other related parties

Gibraltar Capital Pty Limited is a related party due to common directors of Tom Wallace and Paul Bray. At 31 December 2021 no balance was owed to Gibraltar Capital Pty Limited in respect of cash advanced to the Trust to assist with legal proceedings against a former advisor and to provide working capital. The loan agreement sets out the amounts owed are repayable 24 months after the loan was first made available, the interest rate will be 4%, and the total facility is \$1,500,000. The Trust also entered into a security agreement in favour of Gibraltar Capital Pty Limited over current and future assets of the Trust.

11 Segment information

The Trust is organised into one main business segment which operates solely in the business of investment management within Australia. While the Trust operates from Australia only (the geographical segment), the Trust may have asset exposures in different countries and across different industries.

12 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2021 (30 June 2021:nil).

13 Events occurring after the reporting period

The Trust currently owns shares in Volt Corporation Limited (Volt), an unlisted Australian company, which was the holder of authorised deposit-taking institution (ADI) licence. Volt has recently announced that it will be handing this ADI licence back to APRA.

Management will continue to review proceedings with the company and any affect on the performance of the Trust.

The Trust is currently in negotiations to undertake a transaction where the Trust proposes to acquire a portfolio of hotel assets from a Sydney based investment group in return for the issue of units in the Trust. These negotiations are ongoing after the end of the period.

No other significant events have occurred since the reporting date which would impact on the financial position of the Trust disclosed in the statement of financial position as at 31 December 2021 or on the results and cash flows of the Trust for the period ended on that date.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2021 and of its performance for the period ended on that date.
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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



Tom Wallace

Sydney, NSW
20 October 2022

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
JAGA ALTERNATIVE INCOME FUND

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Jaga Alternative Income Fund which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Millinium's Alternative Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Emphasis of matter

We draw your attention to note 2(c) in the half-year financial report which describes the uncertainty related to recoverability the costs of \$2,650,004 in connection with the property transaction for 240 Brunswick Street and 11 Overells Lane, Fortitude Valley, Brisbane which is contingent on the successful completion of the transaction. Our conclusion is not further modified in respect of this matter.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that the company incurred a gain of \$52,289 for the half year ended 31 December 2021. As at that date the Company had net assets of \$3,025,882 and net cash outflow from operating activities of \$187,653. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not further modified in respect of this matter.

Basis for Qualified Conclusion

The Trust's investment in Soma Group Limited, being an unlisted equity investment and accounted for by the fair value through profit or loss method, is carried at AUD 424,128 on the statement of financial position as at 31 December 2021. The Trust holds total 1,800,000 ordinary shares in Soma Group Limited at a price of AUD 0.23563 per share. We were unable to complete our review of the carrying amount of the unlisted equity investment as at 31 December 2021 because we did not have access to any financial information concerning the investee with which to assess the fair value measurement of the investment at year end. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Had we been able to complete our review of the unlisted equity investment, matters might have come to our attention indicating that adjustments might be necessary to the 31 December 2021 half-year financial report.

Qualified Conclusion

Except for the adjustments to the 31 December 2021 financial report that we might have become aware of had it not been for the situation described above, based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the 31 December 2021 financial report of Jaga Alternative Income Fund does not present fairly, in all material respects, the financial position of the Jaga Alternative Income Fund as at 31 December 2021 and of its financial performance and its cash flows for the six month period ended on that date, in accordance with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



RSM AUSTRALIA PARTNERS



David Talbot
Partner

Sydney, NSW

Dated: 20 October 2022