

DARLING MACRO FUND

ABN 93 309 378 830

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT)

TO

30 JUNE 2020

DARLING MACRO FUND
ABN 93 309 378 830

CONTENTS

	Pages
Fund Particulars	2
Directors' Report of the Trustee Company	3
Financial Report	
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Net Assets Attributable to Unitholders	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration of the Trustee Company	19
Independent Auditor's Report to the Trustees	20

DARLING MACRO FUND
ABN 93 309 378 830

FUND PARTICULARS

Trustee	Evolution Trustees Limited (ABN 29 611 839 519) Suite 703B, Level 7, 1 York Street Sydney NSW 2000 ACN 611 839 519 AFSL 486217
Registered Office	Suite 703B 1 York Street Sydney NSW 2000 Australia
Investment Manager of the Fund	347 Darling Pty Ltd 3/347 Darling Street Balmain NSW 2041
Directors of the Trustee	Rupert Clive Smoker David Roko Grbin Alexander James Calder Ben Michael Norman (Alternate Director)
Broker and Clearer	Bell Potter Securities Limited Level 38, 88 Phillip Street Sydney NSW 2000
Administrator of the Fund	Apex Fund Services Ltd 4th Floor, The Vallis Building 58 Par-La-Ville Rd Hamilton HM11 Bermuda
Sub - Administrator of the Fund	Apex Fund Services (Australia) Pty Ltd Level 13, 459 Little Collins Street Melbourne, Victoria 3000 Australia
Legal Advisors	Squire Patton Boggs Level 17, Aurora Place 88 Phillip Street Sydney NSW 2000
Tax Advisor	Pitcher Partners New South Wales Level 22, MLC Centre 19 Martin Place Sydney NSW 2000
Auditor	Ernst & Young 200 George St Sydney NSW 2000

DARLING MACRO FUND
ABN 93 309 378 830

DIRECTORS' REPORT OF THE TRUSTEE COMPANY

The Directors of Evolution Trustees Limited, the Trustee Company of Darling Macro Fund ("the Fund") present their report on the Fund for the period ended 30 June 2020.

Directors

The names of the Directors of the Trustee, Evolution Trustees Limited, who held office during or since the end of the financial period are:

Rupert Clive Smoker
David Roko Grbin
Alexander James Calder
Ben Michael Norman (Alternate Director)

Principal Activities

The principal activity of the Fund is to generate risk adjusted positive returns over the medium to long term, which are less correlated to the movements in core equity and bond allocations. The Fund aims to dynamically allocate long and short exposure across many liquid markets within 4 major global asset classes: Equities, Bonds, Commodities and Currencies.

Review of Operations

The Fund commenced on 1 April 2019 when the first units in the Fund were issued.

The profit from ordinary activities for the period ended 30 June 2020 was AUD470,500.

For the period ended 30 June 2020, the distribution paid to unit holders is AUD386,182. A reconciliation of the amount is detailed in Note 14.

Significant Changes in State of Affairs

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and has spread across mainland China and beyond, causing disruptions to businesses and economic activity. As the situation is fluid and rapidly evolving, the Investment Manager do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Fund's financial statements and activities.

Events Subsequent to the End of Reporting Period

There were no events subsequent to the end of reporting period.

Future Developments

The Directors of the Trustee Company are not aware of any developments likely to significantly affect the operations or the results of the Fund's operations in subsequent financial periods.

Environmental Regulations

The Fund's operations are not regulated by any significant environmental regulation under the law of the Commonwealth or of a state or territory.

DARLING MACRO FUND
ABN 93 309 378 830

DIRECTORS' REPORT OF THE TRUSTEE COMPANY

Indemnifications and Insurance of Officers

Other than detailed below, no indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or the Trustee.

The Trustee Company has paid premiums to insure each of the following Directors of the Trustee against liabilities for the costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director:

Rupert Clive Smoker
David Roko Grbin
Alexander James Calder
Ben Michael Norman (Alternate Director)

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

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 those proceedings.

The Fund was not a party to any such proceedings during the financial period.

The Directors' report is signed for and on behalf of the Trustee Company.



Rupert Smoker
Director

Dated: 26 November 2020

DARLING MACRO FUND
ABN 93 309 378 830

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

	Notes	For the period from 1 April 2019 (date of commencement) to 30 June 2020 AUD
INVESTMENT INCOME		
Revenue	4	37,580
Net gains on financial instruments at fair value through profit or loss		508,264
Foreign currency losses		<u>(4,481)</u>
TOTAL INVESTMENT INCOME		<u>541,363</u>
EXPENSES		
Performance fees	11 (b)	(208)
Management fees	11 (a)	(47,027)
Commission and other charges		(23,025)
Operating expenses	5	<u>(603)</u>
TOTAL EXPENSES		<u>(70,863)</u>
OPERATING PROFIT BEFORE FINANCE COST		<u>470,500</u>
FINANCE COST		
Distribution to unitholders	14	(386,182)
Increase in net assets attributable to unit holders		<u>(84,318)</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNIT HOLDERS		<u>-</u>

The accompanying notes form part of these financial statements.

DARLING MACRO FUND
ABN 93 309 378 830

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2020 AUD
ASSETS		
Cash at Bank	6	4,161,804
Due from Broker	7	801,173
Receivables	8	1,200
Financial assets at fair value through profit or loss	9	<u>97,140</u>
TOTAL ASSETS		<u>5,061,317</u>
LIABILITIES		
Financial liabilities at fair value through profit or loss	10	12,767
Management fee payable	11	4,636
Performance fee payable	11	153
Other payables		101
Distributions payable		<u>249,590</u>
TOTAL LIABILITIES (excluding net assets attributable to unit holders)		<u>267,247</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	13	<u>4,794,070</u>
TOTAL LIABILITIES		<u>5,061,317</u>

The accompanying notes form part of these financial statements.

DARLING MACRO FUND
ABN 93 309 378 830

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

	Note	For the period from 1 April 2019 (date of commencement) to 30 June 2020 AUD
Balance at 1 April 2019		-
Applications	13	4,619,214
Redemptions	13	(1,029)
Distribution reinvested	13	91,567
Net increase in net assets attributable to unit holders		<u>84,318</u>
Balance at 30 June 2020		<u>4,794,070</u>

The accompanying notes form part of these financial statements.

DARLING MACRO FUND
ABN 93 309 378 830

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

	Note	For the period from 1 April 2019 (date of commencement) to 30 June 2020 AUD
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue received		13
Withholding tax		(223)
Interest received		36,590
Performance fees paid		(55)
Management fees paid		(42,391)
Commission and other charges paid		(23,025)
Operating expenses paid		(502)
Payment for purchase of financial assets at fair value through profit or loss		(801,173)
Proceeds from sale of financial assets at fair value through profit or loss		423,891
NET CASH FLOWS FROM OPERATING ACTIVITIES	15	(406,875)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from applications by unitholders		4,619,214
Payment from redemption by unitholders		(1,029)
Distributions paid	14	(45,025)
NET CASH FLOWS FROM FINANCING ACTIVITIES		4,573,160
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,166,285
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD		
Effect of foreign currency exchange rate changes on cash and cash equivalents		-
		(4,481)
CASH AND CASH EQUIVALENT AT END OF THE PERIOD	6	4,161,804

The accompanying notes form part of these financial statements.

DARLING MACRO FUND
ABN 93 309 378 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

NOTE 1. GENERAL INFORMATION

Darling Macro Fund commenced operations on 1 April 2019 and is domiciled in Australia. The Fund is a liquid alternative fund, based on the Principals' combined 25 years global investing experience, 10 years of testing and 20 months of discoverable track record. The Fund terminates when winding up the Fund under this Constitution is completed; the final distribution is made to Unitholders and all liabilities have been paid. The Fund is an Australian unit trust and is only available as an investment for Wholesale Clients. The principal place of business of the Fund is Suite 703B, Level 7, 1 York Street, Sydney NSW 2000.

These financial statements cover Darling Macro Fund ("the Fund") as an individual entity. The financial statements are for the period from 1 April 2019 (date of commencement) to 30 June 2020.

The financial statements are presented in Australian Dollars ("AUD") which is the functional currency of the Fund.

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This financial report of the Fund is a special purpose financial report prepared in order to satisfy the requirements of Fund's Information Memorandum. The Trustee Company, Evolution Trustees Limited, has determined that the Fund is not a reporting entity.

The Fund is a unit trust established on 1 April 2019, commenced operations on 1 April 2019, and is domiciled in Australia. The financial report is for the period from 1 April 2019 (date of commencement) to 30 June 2020.

This special purpose financial report has been prepared in accordance with the recognition, measurement and classification aspects of all applicable Australian Accounting Standards and other authoritative pronouncements of the AASB. The following accounting standards were applied in full:

- AASB101: Presentation of Financial Statements
- AASB107: Statement of Cash Flows
- AASB108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB1048: Interpretation of Standards
- AASB1054: Australian Additional Disclosures
- AASB9: Financial instruments
- AASB13: Fair value measurement

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on a historical cost basis, except for the financial assets and financial liabilities at fair value through profit or loss (FVTPL).

The following material accounting policies have been adopted in the preparation of this financial report.

(b) Income Tax

The income tax treatment of the Fund and its Investors will depend on whether the Trustee is eligible and elects to apply the Attribution Managed Investment Trust (AMIT) provisions. The AMIT provisions are an elective income tax regime for qualifying managed investment trusts (MIT) that provide for flow-through taxation to Investors. Where the Fund qualifies as a MIT for income tax purposes, the Trustee may seek to make an election to treat the disposal of covered assets (including shares) on capital account. The Fund has not elected into the AMIT provisions, the general taxation rules on trusts will apply to the Fund.

The Trust is not liable for any Australian income tax or capital gains tax as it is intended that all of the Trust's taxable income will be distributed to Unitholders so that no taxation liability is expected to accrue to the Trustee. This means that the Investors are taxed on their share of the Fund's net taxable income.

DARLING MACRO FUND
ABN 93 309 378 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Assets and Liabilities

(i) Classification

In accordance with AASB 9, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised costs include cash and cash equivalents and receivables.

Financial assets measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

- a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at fair value through profit or loss include futures contracts.

Financial liabilities

Financial liabilities measured at fair value through profit or loss (FVPL)

Futures contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

Financial liabilities that are not measured at fair value through profit or loss include accounts payable and due to brokers.

DARLING MACRO FUND
ABN 93 309 378 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Assets and Liabilities (continued)

(i) Classification (continued)

Financial liabilities (continued)

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Fund includes in this short-term payables.

Other financial liabilities

This category includes all financial liabilities, other than those classified as at FVPL. The Fund includes in this category short-term payables.

(ii) Recognition

The Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

(iii) Initial Measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as at FVPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of comprehensive income.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

(v) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- a) Transferred substantially all of the risks and rewards of the asset; or
- b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

DARLING MACRO FUND
ABN 93 309 378 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Assets and Liabilities (continued)

(v) Derecognition (continued)

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

(vi) Derivative financial instruments

In the normal course of business the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified financial instrument price, foreign exchange rate or other variable.

Futures contracts

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities; changes in the futures contracts' value are settled daily with the exchange. Upon entering into a futures contract, the Fund is required to deposit with a broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. Margin accounts represent margin deposits held in respect of open options and exchange-traded futures contracts. Margin cash provided by the Fund is identified in the statement of financial position and is not included as a component of cash and cash equivalents.

Futures are settled on a net basis. Futures are valued at the settlement price for such instruments on the relevant markets at each valuation point. If no settlement price is currently available, then futures are valued on the basis of probable realisation value.

(d) Impairment of financial assets

The Fund holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under AASB 9 to all its trade receivables. Therefore the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

(f) Revenue

Interest income from other entities is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other income and fee income is recognised as it is earned.

DARLING MACRO FUND
ABN 93 309 378 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Expenses

All operating expenses, including commissions, managing fees, performance fees are recognised in profit or loss on an accrual basis. Trustee fees, establishment costs, audit and legal fees are borne by the Investment Manager; thus, not recorded as an expense of the Fund.

(h) Net Assets Attributable to Unit Holders

The units can be redeemed daily for cash equal to the proportionate share of the Fund's net asset value. The Trustee may suspend the redemption of units and the payment of redemptions if it believes that it is in the best interests of unit holders as a whole.

The fair value of units to be redeemed is measured at the redemption amount that is payable (based on the redemption unit price) at the statement of financial position date if unit holders exercised their right to redeem their units.

(i) Increase in Net Assets Attributable to Unit Holders

Non-distributable income is included in net assets attributable to unit holders and may consist of unrealised changes in the net fair value of financial instruments at fair value through profit or loss, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income.

Net capital gains on the realisation of any financial instruments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unit holders) and accrued income not yet assessable will be included in the determination of distributable income in the same period in which it becomes assessable for tax.

Movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

(j) Goods and Services Tax ("GST")

The Fund is registered for GST. The acquisition and disposal of units in the Fund by Investors is not subject to GST. Similarly, the distributions paid by the Fund are not subject to GST. GST is payable on some ongoing expenses, however the Fund may be able to claim a reduced input tax credit (RITC) of at least 55% of the GST paid, depending on the precise nature of the expenses incurred and the nexus with domestic or international equities. All fees and expenses are quoted inclusive of GST and net of RITC.

(k) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at broker, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash subject to an insignificant risk of changes in value, and bank overdrafts.

(l) Due from/to brokers

Due from/to brokers balances comprise of net cash and cash collateral balances with the Fund's brokers.

(m) Distribution to unitholders

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders.

Distributions are payable at the end of each period as at 30 June each period or more frequently at the Trustee discretion. Such distributions are determined by reference to the net taxable income of the Fund.

Distribution income includes capital gains arising from the disposal of investments. Unrealised gains and losses are transferred to net assets attributable to unitholders and are not assessable or distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains.

DARLING MACRO FUND
ABN 93 309 378 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Payables

Trade payables and other accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

The distribution amount payable to unitholders as at the reporting date is recognised separately on the statement of financial position when unitholders are presently entitled to the distributable income under the Fund's Constitution. Given the short term nature of payables, the nominal amount approximates fair value.

(o) Receivables

Receivables include amounts for withholding tax receivable, interest and RITC receivables. Amounts are generally received within 30 days of being recorded as receivables. Given the short term nature of receivables, the nominal amount approximates fair value.

(p) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. The unit exit price is calculated in accordance with the Constitution of the Fund and is determined by the value of the assets of the Fund less its liabilities adjusted for estimated transaction costs, divided by the number of units on issue.

(q) Liquidity Basis for the Presentation of the Statement of Financial Position

The statement of financial position of the Fund has been prepared on liquidity basis as the Directors of the Trustee Company believe that this basis of presentation provides more relevant and reliable information about the Fund's financial performance, financial position, and financing and investment activities.

(r) New and amended standards and interpretations

The Fund has adopted all mandatory standards and amendments for the period beginning from 1 April 2019. Adoption of these standards and amendments has not had a material impact on the financial position or performance of the Fund.

There are Australian Accounting Standards and Interpretations that have recently been issued or amended and adopted by the Fund for the reporting period ended 30 June 2020. The impact of these standards and interpretations has been assessed, to the extent applicable to the Fund and is discussed below. Standards and Interpretations that are not applicable to the Fund have not been included.

AASB Interpretation 23: Uncertainty over Income Tax Treatments

It is intended that all of the Trust's taxable income will be distributed to Unitholders so that no taxation liability is expected to accrue to the Trustee, on this basis the Fund is tax-exempt and is only subject to withholding tax on certain dividend and interest income in some countries. If a fund is subject to income tax, including withholding taxes, then it is required to provide specific disclosures under AASB 112 and AASB 101. Additionally, if the fund is subject to income taxes in the scope of AASB 112, including withholding taxes, then the fund should consider if there are any uncertain tax treatments. AASB Interpretation 23 Uncertainty over Income Tax Treatments is effective from 1 January 2019; earlier application is permitted.

The Directors do not expect that AASB Interpretation 23 will have a material impact on the financial statements.

(s) Going concern

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

DARLING MACRO FUND
ABN 93 309 378 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Trustee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Fund.

NOTE 4. REVENUE	For the period from 1 April 2019 (date of commencement) to 30 June 2020 AUD
Revenue	
Interest income	36,653
Fee income	867
Other income	60
	37,580

NOTE 5. OPERATING EXPENSES	For the period from 1 April 2019 (date of commencement) to 30 June 2020 AUD
Bank charges	503
Other	100
	603

NOTE 6. CASH AT BANK	As at 30 June 2020 AUD
Cash at bank	4,161,804
	4,161,804

NOTE 7. DUE FROM BROKER	As at 30 June 2020 AUD
Cash held at broker*	801,173
	801,173

*Amounts held by brokers includes amounts directly or indirectly held by Bell Potter Securities Limited ("Bell Potter"). The terms of the agreement between the Fund and Bell Potter permit the comingling client money so that the Fund may potentially be exposed to a default on obligations by other Bell Potter clients. The Investment Manager manages this risk by monitoring Bell Potter and minimising the amount held on account with Bell Potter where practicable. In addition, Bell Potter maintains wide discretions in respect to margin requirements and all amounts held may be used to fulfil margin calls made.

NOTE 8. RECEIVABLES	As at 30 June 2020 AUD
Receivable bank interest	63
Withholding Tax Receivable	223
RITC receivable	914
	1,200

DARLING MACRO FUND
ABN 93 309 378 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

NOTE 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	As at 30 June 2020 AUD
Futures contracts held by brokers*	<u>97,140</u>
	<u>97,140</u>

*Amounts held by brokers includes amounts directly or indirectly held by Bell Potter Securities Limited ("Bell Potter"). The terms of the agreement between the Fund and Bell Potter permit the comingling client money so that the Fund may potentially be exposed to a default on obligations by other Bell Potter clients. The Investment Manager manages this risk by monitoring Bell Potter and minimising the amount held on account with Bell Potter where practicable. In addition, Bell Potter maintains wide discretions in respect to margin requirements and all amounts held may be used to fulfil margin calls made.

NOTE 10. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	As at 30 June 2020 AUD
Futures contracts held by brokers	<u>12,767</u>
	<u>12,767</u>

NOTE 11. RELATED PARTY DISCLOSURE

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Fund's transactions with related parties are authorised by the Directors of the Trust and are undertaken in the ordinary course of business at arm's length. The pricing policies and terms of transactions with related parties are based on the terms of the Information Memorandum.

(a) Management Fee

The Management Fee is equal to:

- (Class A Investors) 100bps (p.a.) of the Net Asset Value of the Fund (attributable to Class A Units);
- (Class B Investors) 50bps (p.a.) of the Net Asset Value of the Fund (attributable to Class B Units).

The Management Fee is calculated and accrued on each Valuation Day and payable monthly in arrears to the Investment Manager. The Management Fee is deducted from the assets of the Fund and reflected in the Fund's unit price.

Valuation Day means each Business Day the Trustee calculates the Net Asset Value of the Fund.

During the period from 1 April 2019 (date of commencement) to 30 June 2020, Management fees of AUD4,636 were payable to Investment Manager and the fee paid for the period end 30 June 2020 was AUD47,027.

(b) Performance Fee

The Performance Fee is equal to:

- (Class A Investors): no Performance Fee is payable;
- (Class B Investors): 10% of the cumulative outperformance of the Fund (after deducting the Management Fee and any previous underperformance not previously recovered but before the deduction of the performance fee (whether paid or accrued)) above the Performance Hurdle (RBA Cash Rate).

The Performance Fee (if any) is calculated and accrued on each Valuation Day and payable semi-annually to the Investment Manager as at the end of each 30 June and 31 December. The Performance Fee is deducted from the assets of the Fund and reflected in the Fund's unit price.

DARLING MACRO FUND
ABN 93 309 378 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

NOTE 11. RELATED PARTY DISCLOSURE

(b) Performance Fee (continued)

Valuation Day means each Business Day the Trustee calculates the Net Asset Value of the Fund.

During the period from 1 April 2019 (date of commencement) to 30 June 2020, Performance fees of AUD153 were payable to Investment Manager and the fee paid for the period end 30 June 2020 was AUD208.

NOTE 12. ADMINISTRATION FEE

Apex Fund Services Ltd., a company incorporated in Bermuda, has been appointed as the Administrator. The Administrator has delegated its duties and obligations to Apex Fund Services (Australia) Pty Ltd. (the "sub Administrator") and has granted all its authorities, powers and rights relating to the administration services. The "Administrator" is responsible for providing administrative services required in connection with the Fund's operations, including, maintaining the Fund's corporate records, ensuring the prompt delivery of the Net Asset Value and the Net Asset Value per redeemable participating share, determining the Subscription Price and Redemption Price.

The Administrator will provide fund and portfolio accounting at a minimum fee of \$60,000 per annum (\$5,000 per month) or the below whichever is the greater:

Start of Period Fund NAV	Basis Points (per annum)
Up to \$100 million	10 bps
Next \$200 million	7 bps
Greater than \$300 million	4 bps

The Administrator will also charge out of pocket expenses of 5% of annual administration fees.

There is no Administration fees paid or payable for the Fund during the period from 1 April 2019 (date of commencement) to 30 June 2020 as administration fees were borne by Investment Manager.

NOTE 13. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

Movements in number of units and unit holders' funds during the financial period were as follows:

	Class A		Class B		Total	
	Number	AUD	Number	AUD	Number	AUD
Balance at 1 April 2019	-	-	-	-	-	-
Applications	4,398,620	4,568,214	51,000	51,000	4,449,620	4,619,214
Redemptions	(10)	(10)	(1,000)	(1,019)	(1,010)	(1,029)
Distribution reinvested	86,577	91,567	-	-	86,577	91,567
Net increase/(decrease) in net assets attributable to unit holders	-	84,782	-	(464)	-	84,318
Balance at 30 June 2020	<u>4,485,187</u>	<u>4,744,553</u>	<u>50,000</u>	<u>49,517</u>	<u>4,535,187</u>	<u>4,794,070</u>

Under the Trust Deed, the Trustee has the right to issue different classes of units in the Fund, with such rights as it determines. As of 30 June 2020, the Fund has issued two classes of units; Class A and Class B. Each unit in the Fund has the rights, obligations and restrictions attached to that unit as set out in the Constitution. Unit holders participate in distributions and the proceeds on winding up on pro-rata basis of each class of the Fund in proportion to the number of units held.

DARLING MACRO FUND
ABN 93 309 378 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2019 (DATE OF COMMENCEMENT) TO 30 JUNE 2020

NOTE 14. DISTRIBUTION TO UNIT HOLDERS

As at 30 June 2020
AUD

30 June 2019	(136,592)
30 June 2020	(249,590)
Total distribution expense	(386,182)
Less:	
Amount payable at end of period	249,590
Distribution reinvested	91,567
Distribution paid	(45,025)

NOTE 15. RECONCILIATION OF PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

For the period from
1 April 2019 (date of
commencement) to
30 June 2020
AUD

Increase in net assets attributable to unit holders	84,318
Distribution to unitholders	386,182
Change in fair value of financial instruments	(503,783)
Payment for purchase of financial assets at fair value through profit or loss	(801,173)
Proceeds from sale of financial assets at fair value through profit or loss	423,891
Net change in receivables	(1,200)
Net change in payables	4,890
Net cash inflow from operating activities	(406,875)

NOTE 16. EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION DATE

The Fund evaluated its 30 June 2020 financial statements for subsequent events up to the date the financial statements were available to be issued. From 1 July 2020 up to the date the financial statements were available to be issued, the Fund recorded subscriptions of \$1,289,960 and redemptions of \$209,999.

NOTE 17. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments as at statement of financial position date.

DARLING MACRO FUND
ABN 93 309 378 830

DIRECTORS' DECLARATION OF THE TRUSTEE COMPANY

The Directors of the Trustee Company, Evolution Trustees Limited, declare that Darling Macro Fund ("the Fund") is not a reporting entity and that this financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

The Directors of the Trustee Company declare that:

1. the financial statements and notes, as set out on pages 5 to 18, present fairly the Fund's financial position as at 30 June 2020 and its performance for the period ended on the date in accordance with accounting policies described in Note 2 of the financial statements; and
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 of Evolution Trustees Limited, the Trustee Company.



Rupert Smoker
Director

Dated: 26 November 2020

Independent Auditor's Report to the unitholders of Darling Macro Fund

Opinion

We have audited the financial report, being a special purpose financial report, of Darling Macro Fund (the "Fund"), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the period 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 presents fairly, in all material respects, the financial position of Darling Macro Fund as at 30 June 2020, and its financial performance and its cash flows for the period then ended in accordance with the financial reporting requirements as described in Note 2 to the financial statements.

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 Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note 2 of the financial report which describes the basis of accounting. The financial report is prepared to assist Evolution Trustees Limited as the Trustee of the Fund (the "Trustee") to meet the requirements of the Trust Deed. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the Trustee, the Fund and its unitholders (the "Recipients") and should not be distributed to parties other than the Recipients. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustee for the Financial Report

The directors of the Trustee of the Fund are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the Trust Deed and is appropriate to meet the needs of the unitholders. The Trustee's responsibility also includes such internal control as the Trustee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustee is responsible for assessing the Fund'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 Trustee either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

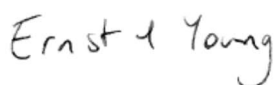
Auditor's Responsibilities for the Audit of the Financial Report

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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's 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 Fund'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 Fund 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.

We communicate with the Trustee 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.



Ernst & Young
Sydney
26 November 2020