

DARLING MACRO FUND

ABN 93 309 378 830

**SPECIAL PURPOSE FINANCIAL REPORT
(On a liquidation basis)**

FOR THE YEAR ENDED 30 JUNE 2021

DARLING MACRO FUND
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(On a liquidation basis)

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FUND PARTICULARS

Trustee	Evolution Trustees Limited (ABN 29 611 839 519) Suite 703B, Level 7, 1 York Street Sydney NSW 2000 Australia 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 Australia
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 Australia
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 Australia
Tax Advisor	Pitcher Partners New South Wales Level 16, Tower 2, Darling Park 201 Sussex St Sydney NSW 2000 Australia
Auditor	Ernst & Young 200 George St Sydney NSW 2000 Australia

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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 year ended 30 June 2021.

Directors

The names of the Directors of the Trustee, Evolution Trustees Limited, who held office during or since the end of the financial year 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 loss from ordinary activities for the year ended 30 June 2021 was AUD36,169.

For the year ended 30 June 2021, the distribution paid to unitholders is AUD67,084. A reconciliation of the amount is detailed in Note 13.

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

On 25 October 2021, on the recommendation of 347 Darling Pty Ltd, the investment manager of the Fund, Evolution Trustees Limited ("ETL") as trustee of the Fund has determined to conduct a compulsory redemption of all units in the Fund. The Fund has ceased investment operations and no longer actively invests. Distributions associated with the compulsory redemption of the Fund's assets are to be paid to investors on 1 November 2021.

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.

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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 year, 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 year.

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


Ben Norman

Director

13 January 2021

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	For the year ended 30 June 2021 AUD	For the period from 1 April 2019 (date of commencement) to 30 June 2020 AUD
INVESTMENT INCOME			
Revenue	4	11,442	37,580
Net gains on financial instruments at fair value through profit or loss		75,149	508,264
Foreign currency losses		(1,569)	(4,481)
TOTAL INVESTMENT INCOME		85,022	541,363
EXPENSES			
Performance fee	10 (b)	(2,641)	(208)
Management fee	10 (a)	(57,805)	(47,027)
Commission and other charges		(60,429)	(23,025)
Operating expenses	5	(316)	(603)
TOTAL EXPENSES		(121,191)	(70,863)
OPERATING (LOSS)/PROFIT BEFORE FINANCE COST		(36,169)	470,500
FINANCE COST			
Distribution to unitholders	13	(67,084)	(386,182)
Decrease/(increase) in net assets attributable to unitholders	12	103,253	(84,318)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS		-	-

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	2021 AUD	2020 AUD
ASSETS			
Cash at Bank	6	4,551,076	4,161,804
Due from Broker	7	1,867,411	801,173
Receivables	8	1,478	1,200
Financial assets at fair value through profit or loss	9	105,480	97,140
TOTAL ASSETS		6,525,445	5,061,317
LIABILITIES			
Financial liabilities at fair value through profit or loss	9	124,193	12,767
Management fee payable	10 (a)	5,286	4,636
Performance fee payable	10 (b)	1,632	153
Other payables		205	101
Distributions payable	13	67,084	249,590
TOTAL LIABILITIES (excluding net assets attributable to unitholders)		198,400	267,247
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	12	6,327,045	4,794,070
TOTAL LIABILITIES		6,525,445	5,061,317

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	AUD
Balance at 1 April 2019		-
Applications	12	4,619,214
Redemptions	12	(1,029)
Distribution reinvested	12	91,567
Net increase in net assets attributable to unitholders	12	84,318
Balance at 30 June 2020		4,794,070
Balance at 1 July 2020		4,794,070
Applications	12	2,202,880
Redemptions	12	(801,628)
Distribution reinvested	12	234,976
Net decrease in net assets attributable to unitholders	12	(103,253)
Balance at 30 June 2021		6,327,045

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED TO 30 JUNE 2021

	Notes	For the year ended 30 June 2021 AUD	For the period from 1 April 2019 (date of commencement) to 30 June 2020 AUD
CASH FLOWS USED IN OPERATING ACTIVITIES			
Revenue received		2,712	13
Withholding tax		-	(223)
Interest received		8,452	36,590
Performance fees paid		(1,162)	(55)
Management fees paid		(57,155)	(42,391)
Commission and other charges paid		(60,429)	(23,025)
Operating expenses paid		(211)	(502)
Payment for purchase of financial assets at fair value through profit or loss		(1,066,238)	(801,173)
Proceeds from sale of financial assets at fair value through profit or loss		178,234	423,891
NET CASH USED IN OPERATING ACTIVITIES	14	(995,797)	(406,875)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from applications by unitholders	12	2,202,880	4,619,214
Payment from redemption by unitholders	12	(801,628)	(1,029)
Distributions paid	13	(14,614)	(45,025)
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,386,638	4,573,160
NET INCREASE IN CASH AND CASH EQUIVALENTS		390,841	4,166,285
CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR/PERIOD			
		4,161,804	-
Effect of foreign currency exchange rate changes on cash and cash equivalents		(1,569)	(4,481)
CASH AND CASH EQUIVALENT AT END OF THE YEAR/PERIOD	6	4,551,076	4,161,804

The accompanying notes form part of these financial statements.

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

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 its 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.

On 25 October 2021, on the recommendation of 347 Darling Pty Ltd, the investment manager of the Fund, Evolution Trustees Limited ("ETL") as trustee of the Fund has determined to conduct a compulsory redemption of all units in the Fund. The Fund has ceased investment operations and no longer actively invests. Distributions associated with the compulsory redemption of the Fund's assets were paid to investors on or around 1 November 2021.

These financial statements cover Darling Macro Fund ("the Fund") as an individual entity. The financial statements are for the year ended 30 June 2021.

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 year ended 30 June 2021.

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 Australian Accounting Standards Board ("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 AASB have been applied.

The financial statement is prepared on a liquidation basis of accounting. The Fund has measured its assets and liabilities to reflect the fair value and settlement value, respectively, which, in the opinion of the Trustee, approximates their fair value. Therefore, the change in the basis of accounting from going concern basis to liquidation basis does not have a material impact on the carrying values of the assets and liabilities.

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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, due from broker 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.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Assets and Liabilities (continued)

(i) Classification (continued)

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.

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 category, 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:

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Assets and Liabilities (continued)

(v) Derecognition (continued)

- 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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 Unitholders

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.

An Investor may lodge a redemption request with the Administrator at any time to redeem some or all of their Units. A redemption request can be lodged on each Business Day (Redemption Day). There is no obligation under the Trust Deed for the Trustee to satisfy any redemption request. Redemption requests that have been submitted by an Investor are irrevocable unless the Trustee otherwise agrees.

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 Unitholders

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.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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

There are Australian Accounting Standards and Interpretations that have recently been issued or amended and adopted by the Fund for the reporting year ended 30 June 2021. 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.

Amendments to AASB 101 and AASB 108: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) New and amended standards and interpretations (continued)

Adoption of AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities

The Fund has not opted to early adopt AASB 1060 ahead of its mandatory effective date of July 1, 2021. Instead, the Fund has remained using Special Purpose Financial Statements and per AASB 2020-2 will be required to transition from this to first time adopt AASB 1060 from July 2021. Therefore, the disclosure requirement has no significant impact on the financial statements for the current year. Adoption of AASB 1060 will result in the Fund reporting general purpose financial statements. Further, there will be additional disclosure requirements which primarily impact related parties, and financial instruments.

The Directors do not expect that above standards will have material impact in 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.

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 year ended 30 June 2021 AUD	For the period from 1 April 2019 (date of commencement) to 30 June 2020 AUD
Revenue		
Interest income	8,389	36,653
Fee income	2,875	867
Other income	178	60
	11,442	37,580
NOTE 5. OPERATING EXPENSES	For the year ended 30 June 2021 AUD	For the period from 1 April 2019 (date of commencement) to 30 June 2020 AUD
Bank charges	213	503
Other	103	100
	316	603
NOTE 6. CASH AT BANK	As at 30 June 2021 AUD	As at 30 June 2020 AUD
Cash at bank	4,551,076	4,161,804
	4,551,076	4,161,804

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7. DUE FROM BROKER	As at 30 June 2021	As at 30 June 2020
	AUD	AUD
Cash held at broker*	1,867,411	801,173
	<u>1,867,411</u>	<u>801,173</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 8. RECEIVABLES	As at 30 June 2021	As at 30 June 2020
	AUD	AUD
Receivable bank interest	-	63
Withholding Tax Receivable	223	223
RITC receivable	1,255	914
	<u>1,478</u>	<u>1,200</u>

NOTE 9. FINANCIAL ASSETS & LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	As at 30 June 2021	As at 30 June 2020
	AUD	AUD
Financial assets at fair value through profit or loss		
Futures contracts held by broker*	105,480	97,140
	<u>105,480</u>	<u>97,140</u>
Financial liabilities at fair value through profit or loss		
Futures contracts held by broker*	124,193	12,767
	<u>124,193</u>	<u>12,767</u>

*Amounts held by a broker 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. 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).

DARLING MACRO FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 10. RELATED PARTY DISCLOSURE (continued)

(a) Management Fee (continued)

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.

At 30 June 2021, Management fees of AUD 5,286 (2020:4,636) were payable to the Investment Manager and the fee paid for the year ended 30 June 2021 was AUD 57,805 (2020: 47,027).

(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.

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

At 30 June 2021, Performance fees of AUD 1,632 (2020:153) were payable to the Investment Manager and the fee paid for the year ended 30 June 2021 was AUD 2,641 (2020:208).

NOTE 11. 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 Net Asset Value	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 year ended June 2021 as Administration fees are borne by the Investment Manager.

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

NOTE 12. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Movements in number of units and unitholders' funds during the financial year were as follows:

	Class A		Class B		Total	
	Units	AUD	Units	AUD	Units	AUD
Balance at 30 June 2020	4,485,187	4,744,553	50,000	49,517	4,535,187	4,794,070
Applications	1,171,147	1,253,829	949,050	949,051	2,120,197	2,202,880
Redemptions	(754,752)	(801,628)	-	-	(754,752)	(801,628)
Distribution reinvested	222,127	234,976	-	-	222,127	234,976
Switch In/(Out)	46,720	51,532	(51,002)	(51,532)	(4,282)	-
Consolidation In	-	-	2,739	-	2,739	-
Net decrease in net assets attributable to unitholders	-	(97,455)	-	(5,798)	-	(103,253)
Balance at 30 June 2021	<u>5,170,429</u>	<u>5,385,807</u>	<u>950,787</u>	<u>941,238</u>	<u>6,121,216</u>	<u>6,327,045</u>

	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 unitholders	-	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 2021, the Fund have 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 upon pro-rata basis of each class of the Fund in proportion to the number of units held.

NOTE 13. DISTRIBUTION TO UNITHOLDERS

	As at 30 June 2021	As at 30 June 2020
	AUD	AUD
30 June 2019	-	(136,592)
30 June 2020	-	(249,590)
30 June 2021	(67,084)	-
Total distribution expense	(67,084)	(386,182)
Less:		
Amount payable at end of year/period	67,084	249,590
PY Distribution reinvested	234,976	91,567
PY Distribution payable	(249,590)	-
Distribution paid	(14,614)	(45,025)

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

NOTE 14. RECONCILIATION OF PROFIT/(LOSS) TO NET OUTFLOW FROM OPERATING ACTIVITIES

	For the year ended 30 June 2021	For the period from 1 April 2019 (date of commencement) to 30 June 2020
	AUD	AUD
(Decrease)/Increase in net assets attributable to unitholders	(103,253)	84,318
Distribution to unitholders	67,084	386,182
Change in fair value of financial instruments	(73,580)	(503,783)
Payment for purchase of financial assets at fair value through profit or loss	(1,066,238)	(801,173)
Proceeds from sale of financial assets at fair value through profit or loss	178,234	423,891
Net change in receivables	(277)	(1,200)
Net change in payables	2,233	4,890
Net cash outflow from operating activities	(995,797)	(406,875)

NOTE 15. EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION DATE

On 25 October 2021, on the recommendation of 347 Darling Pty Ltd, the investment manager of the Fund, Evolution Trustees Limited ("ETL") as trustee of the Fund has determined to conduct a compulsory redemption of all units in the Fund. The Fund has ceased investment operations and no longer actively invests. Distributions associated with the compulsory redemption of the Fund's assets were paid to investors on or around 1 November 2021.

Other than above, there have been no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund.

NOTE 16. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities and commitments as at the Statement of Financial Position date.

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ABN 93 309 378 830
(On a liquidation basis)

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 19, present fairly the Fund's financial position as at 30 June 2021 and its performance for the year 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.


Ben Norman

Director

13 January 2022



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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 of 30 June 2021, the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Trustee's declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of Darling Macro Fund as of 30 June 2021, 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.

Emphasis of Matter - Basis of Accounting - Liquidation Basis

We draw attention to Note 2 of the financial report, which describes the basis of accounting. It is the Trustee's intention to wind up the Fund prior to the next year end. As a result, the financial report has been prepared on a liquidation basis. 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 skepticism 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. When such use is inappropriate and the Trustee use an alternative basis of accounting, we conclude on the appropriateness of the Trustee's use of the alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- ▶ 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

Ernst & Young
Sydney
13 January 2022

