



# ActiveX Trust

ARSN 629 403 925

## Half-year report for the period ended 31 December 2019

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These financial statements cover ActiveX Trust as an individual entity.

ActiveX Ardea Real Outcome Bond Fund (Managed Fund) is a class of units in the registered managed investment scheme the ActiveX Trust ARSN 629 403 925.

The Responsible Entity of ActiveX Trust is Fidante Partners Limited (ABN 94 002 835 592). The Responsible Entity's registered office is:

Level 2  
5 Martin Place  
Sydney NSW 2000

## Directors' report

The Directors of Fidante Partners Limited, the Responsible Entity of ActiveX Trust ("the Trust"), present their report together with the financial statements of the Trust for the period ended 31 December 2019.

### Directors

The following persons held office as Directors of Fidante Partners Limited during the period and up to the date of this report, unless otherwise stated:

A Bell  
A Bofinger  
N Hamilton (appointed 29 October 2019)  
A Murphy (resigned 8 November 2019)  
I Saines (resigned 20 September 2019)  
A Tobin

### Principal activities and significant changes in the state of affairs

The Trust is a registered managed investment scheme domiciled in Australia. The Trust was registered on 26 October 2018 and commenced trading on 5 December 2018. The Trust has one class of units being the ActiveX Ardea Real Outcome Bond Fund (Managed Fund). The Trust's principal place of business is Level 2, 5 Martin Place, Sydney, New South Wales 2000.

The ActiveX Ardea Real Outcome Bond Fund (Managed Fund) ("Active ETF") is a quoted managed investment scheme providing an opportunity to buy a portfolio of assets in a single transaction. Ardea Investment Management Pty Limited ("Ardea"), as Asset Manager, is appointed to make decisions about its underlying portfolio allocation with a goal to outperform a target benchmark.

The Active ETF is quoted for trading on the AQUA market of the Australian Securities Exchange ("ASX") under the AQUA Rules (ticker code XARO). The AQUA rules form part of the ASX Operating Rules, however the Active ETF is not listed on the ASX under the ASX Listing Rules.

The Trust invests in the Ardea Real Outcome Fund (ARSN 158 996 699) ("underlying Trust") and cash. The underlying Trust primarily uses government bonds to create a diversified portfolio of high quality fixed income securities that seek to prioritise liquidity and capital preservation.

The investment approach is in accordance with its investment strategy (as detailed in the current Product Disclosure Statement, issued 30 November 2018 and the Constitution). Ardea, as Asset Manager, is responsible for selecting and managing the assets of the Trust and the underlying Trust. The investment approach is based on generating returns from relative value strategies that aim to exploit mispricing between comparable fixed income securities, such as government bonds, which are related to each other and have similar risk characteristics, but are priced differently. Ardea believes this type of mispricing exists because fixed income markets are inefficient. As this inefficiency is persistent over time and through market cycles, Ardea have built a repeatable investment process around capturing this mispricing.

Fidante Partners Limited is the Responsible Entity of the ActiveX Trust. As Responsible Entity, Fidante Partners Limited is responsible for overseeing the operations of the Trust. The Responsible Entity has appointed an independent market Authorised Participant to act as its agent to execute its market making activities and has entered into a market making agreement to facilitate liquidity. An Authorised Participant is a financial institution which is a trading participant under the Australian Securities Exchange Operating Rules (or which has engaged a trading participant to act on its behalf), which has entered into an Authorised Participant Agreement with the Responsible Entity and which is an Australian resident for tax purposes.

The Active ETF's units trade on the AQUA market on the ASX. The offer for units in the Active ETF is only available through an Authorised Participant. Investors can buy and sell units from/to other investors in the secondary market in the same way as other listed ASX securities. The Authorised Participant provides liquidity to investors by acting as a buyer and seller of units.

## Directors' report (continued)

There were no significant changes in the nature of the Trust's activities during the period.

### Review and results of operations

The results of the Trust for the period below include the distributions paid and payable on a cents per unit ("CPU") basis. The CPU represents the distribution paid by the Trust to unitholders for each individual unit held in the Trust.

The results of the Trust were as follows:

For the period ended 31 December	26 October 2018 to 31 December 2018	2019
Net profit (\$'000)		<u>1,403</u>
Distributions paid and payable (\$'000)		<u>1,533</u>
Distributions (CPU) - Active ETF Class		<u>35.04</u>

### Rounding of amounts to the nearest thousand dollars

The amounts contained in this report and the financial report have been rounded to the nearest \$1,000, unless otherwise stated, under the option available to the Trust under Australian Securities and Investments Commission ("ASIC") Corporations Instrument 2016/191.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

### Authorisation

This report is made in accordance with a resolution of Directors of the Responsible Entity.



**A Bell**  
Director

**Sydney**  
**20 February 2020**

## Auditor's Independence Declaration to the Directors of Fidante Partners Limited

As lead auditor for the review of the half-year financial report of ActiveX Trust for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Ernst & Young



Rita Da Silva  
Partner  
20 February 2020

**ActiveX Trust**  
**Statement of comprehensive income**  
**For the period ended 31 December 2019**

**Statement of comprehensive income**

For the period ended 31 December

		2019	26 October 2018 to 31 December 2018
	Notes	\$'000	\$'000
<b>Income</b>			
Distribution income		1,720	9
Net losses on financial instruments at fair value through profit or loss		(120)	(5)
<b>Total net income</b>		<b>1,600</b>	<b>4</b>
<b>Expenses</b>			
Management fees		193	-
Other expenses		4	-
<b>Total expenses</b>		<b>197</b>	<b>-</b>
<b>Net profit for the period</b>		<b>1,403</b>	<b>4</b>
Other comprehensive income/(loss) for the period		-	-
<b>Total comprehensive income for the period</b>		<b>1,403</b>	<b>4</b>
<b>Basic earnings per unit (cents per unit)</b>	10	<b>47.10</b>	12.91
<b>Diluted earnings per unit (cents per unit)</b>	10	<b>47.10</b>	12.91

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

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**ActiveX Trust**  
**Statement of financial position**  
**As at 31 December 2019**

**Statement of financial position**

As at	Notes	<b>31 December 2019 \$'000</b>	30 June 2019 \$'000
<b>Assets</b>			
Cash and cash equivalents		150	508
Receivables	5	2,184	114
Financial assets at fair value through profit or loss	6	<u>137,610</u>	15,640
<b>Total assets</b>		<u>139,944</u>	16,262
<b>Liabilities</b>			
Distributions payable	4	1,037	101
Payables	7	<u>60</u>	506
<b>Total liabilities</b>		<u>1,097</u>	607
<b>Net assets attributable to unitholders - Equity</b>	3	<u>138,847</u>	15,655

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

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**ActiveX Trust**  
**Statement of changes in unitholder funds**  
**For the period ended 31 December 2019**

**Statement of changes in unitholder funds**

	Notes	2019 \$'000	26 October 2018 to 31 December 2018 \$'000
<b>As at 1 July - Opening Balance - Equity</b>		<b>15,655</b>	-
Applications for units		129,301	1,000
Units issued upon reinvestment of distributions		21	-
Redemptions of units		(6,000)	-
Distributions paid and payable	4	(1,533)	-
Total comprehensive income		1,403	4
<b>As at 31 December - Closing Balance - Equity</b>	3	<b>138,847</b>	1,004

*The above statement of changes in unitholder funds should be read in conjunction with the accompanying notes.*

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**ActiveX Trust**  
**Statement of cash flows**  
**For the period ended 31 December 2019**

**Statement of cash flows**

For the period ended 31 December

	<b>2019</b>	<b>26 October</b>
	<b>\$'000</b>	<b>December 2018</b>
		<b>to 31</b>
		<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Distributions received	659	-
Management fees paid	(139)	-
Payment of other expenses	(14)	-
<b>Net cash inflows from operating activities</b>	<b>506</b>	-
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	6,211	-
Purchase of investments	(128,800)	(1,000)
<b>Net cash outflows from investing activities</b>	<b>(122,589)</b>	<b>(1,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	128,301	1,000
Payments for redemptions by unitholders	(6,000)	-
Distributions paid	(576)	-
<b>Net cash inflows from financing activities</b>	<b>121,725</b>	<b>1,000</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(358)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the period	<b>508</b>	-
<b>Cash and cash equivalents at the end of the period</b>	<b>150</b>	-

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

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## 1 General information

These financial statements cover ActiveX Trust ("the Trust") as an individual entity. The Trust is an Australian registered managed investment scheme and was constituted on 10 October 2018. The Trust was registered with the Australian Securities and Investments Commission on 26 October 2018 and commenced on the date that the first unit was issued, which was 5 December 2018. The Trust will terminate on 9 October 2098 unless terminated earlier in accordance with the provisions of the Trust's Constitution.

The ActiveX Ardea Real Outcome Bond Fund (Managed Fund) ("Active ETF") is a class of units in the Trust and is a quoted managed investment scheme. The Active ETF was admitted to trading status on the ASX under the AQUA Rules on 10 December 2018.

These interim financial statements do not include all the notes and disclosures normally included in the annual financial statements. Accordingly, this report should be read in conjunction with the annual financial statements for the period ended 30 June 2019 and any public announcements made in respect of the Trust during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements were authorised for issue by the Directors on 20 February 2020.

The nature of the operating and principal activities of the Trust are described in the Directors' report.

## 2 Summary of significant accounting policies

The accounting policies applied in these interim financial statements are consistent with those applied in the Trust's financial statements as at and for the period ended 30 June 2019 other than where disclosed and with the exception of changes in accounting policies required following the adoption of new accounting standards on 1 July 2019.

### (a) Basis of preparation

These general purpose interim financial statements for the period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The financial statements are presented in Australian dollars and are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial instruments. The amounts expected to be recovered or settled beyond twelve months after the end of each reporting period cannot be reliably determined.

#### *Compliance with International Financial Reporting Standards*

The financial statements have been prepared in accordance with the Australian Accounting Standards applicable to interim reporting as issued by the Australian Accounting Standards Board and the International Financial Reporting Standards applicable to interim reporting as issued by the International Accounting Standards Board.

### (b) Use of estimates

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The Directors base their judgements and estimates on historical experience and various other factors they believe to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

### (c) New accounting standards and interpretations

All new accounting standards that are applicable to the Trust for the 31 December 2019 reporting period have been adopted and do not have a material impact on the financial statements.

## 2 Summary of significant accounting policies (continued)

### (c) New accounting standards and interpretations (continued)

There are no new accounting standards and interpretations that have been issued, but not yet effective, that are material to the financial statements or have been early adopted for the 31 December 2019 reporting period.

### (d) Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest \$1,000, unless otherwise stated, under the option available to the Trust under ASIC Corporations Instrument 2016/191.

## 3 Net assets attributable to unitholders - Equity

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

Applications received for units in the Trust by the Authorised Participant are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust by the Authorised Participant are recorded gross of any exit fees payable after the cancellation of units redeemed.

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of changes in unitholder funds.

The units in the Trust are a class of units in the ActiveX Trust.

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

	2019 No. '000	26 October 2018 to 31 December 2018 No. '000	2019 \$'000	26 October 2018 to 31 December 2018 \$'000
<b>Net assets attributable to unitholders</b>				
<b>- Active ETF Class</b>				
<b>As at 1 July - Opening Balance - Equity</b>	<b>603</b>	-	<b>15,655</b>	-
Applications for units	4,901	40	129,301	1,000
Units issued upon reinvestment of distributions	1	-	21	-
Redemptions of units	(227)	-	(6,000)	-
Distributions paid and payable	-	-	(1,533)	-
Total comprehensive income	-	-	1,403	4
<b>As at 31 December - Closing Balance - Equity</b>	<b>5,278</b>	40	<b>138,847</b>	1,004
			<b>2019</b>	2018
			<b>\$'000</b>	<b>\$'000</b>
<b>Total net assets attributable to unitholders</b>			<b>138,847</b>	1,004

#### 4 Distributions to unitholders

In accordance with the Trust's Constitution, the Trust distributes income adjusted for amounts determined by the Responsible Entity to unitholders by cash or reinvestment. Distributions are recognised in the statement of changes in unitholder funds.

The distributions for the period are presented below in dollars ('000) and cents per unit ("CPU") for each class.

	<b>2019</b>	<b>2019</b>	26 October	26 October
	<b>\$'000</b>	<b>CPU</b>	December 2018	December 2018
			2018 to 31	2018 to 31
			\$'000	CPU
<b>Distributions - Active ETF Class</b>				
Distributions paid - September	496	15.40	-	-
Distributions payable - December	1,037	19.64	-	-
	<u>1,533</u>	<u>35.04</u>	-	-

	<b>2019</b>	26 October
	<b>\$'000</b>	December 2018
		\$'000
<b>Distributions paid and payable</b>	<u>1,533</u>	-

The component of the final distribution for the period which was unpaid at reporting date is shown in the statement of financial position.

#### 5 Receivables

As at	<b>31 December</b>	30 June
	<b>2019</b>	2019
	<b>\$'000</b>	\$'000
Distributions receivable	1,174	113
Applications for units receivable	1,000	-
GST receivable	10	1
	<u>2,184</u>	<u>114</u>

The Trust's distributions receivable at period end consisted of amounts receivable from Ardea Real Outcome Fund.

#### 6 Financial assets at fair value through profit or loss

As at	<b>31 December</b>	30 June
	<b>2019</b>	2019
	<b>\$'000</b>	\$'000
Unlisted unit trusts	137,610	15,640
	<u>137,610</u>	<u>15,640</u>

## 6 Financial assets at fair value through profit or loss (continued)

The Trust's investments in unlisted unit trusts at period end consisted of investments in Ardea Real Outcome Fund.

An overview of the fair value measurements relating to financial assets at fair value through profit or loss is included in note 8.

## 7 Payables

As at	31 December 2019 \$'000	30 June 2019 \$'000
Amounts owing to the Responsible Entity	60	6
Outstanding trade settlements	-	500
	60	506

The Trust's amounts owing to the Responsible Entity at period end consisted of management fees accrued.

## 8 Fair value measurement

All financial assets and financial liabilities included in the statement of financial position are carried at fair value.

In accordance with AASB 13 *Fair Value Measurement* the Trust is required to disclose fair value measurements by level using the fair value hierarchy. The fair value hierarchy has the following levels:

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

### (a) Fair value in an active market (level 1)

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

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

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

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

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the reporting date applicable for an instrument with similar terms and conditions. For other pricing models, inputs are based on market data at the end of the reporting period.

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

## 8 Fair value measurement (continued)

The tables below set out the Trust's financial assets and liabilities measured at fair value according to the fair value hierarchy.

### 31 December 2019

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Unlisted unit trusts	-	137,610	-	137,610
<b>Total</b>	-	137,610	-	137,610

### 30 June 2019

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Unlisted unit trusts	-	15,640	-	15,640
<b>Total</b>	-	15,640	-	15,640

The Trust's investments in unlisted unit trusts at period end consisted of investments in Ardea Real Outcome Fund.

## 9 Segment information

The Trust has only one reportable segment. The Trust operates in Australia and is engaged solely in investment activities, deriving revenue from dividend and distribution income, interest income and from the sale of its investment portfolio.

## 10 Earnings per unit

	26 October 2019 to 31 December 2018
<b>Basic earnings per unit</b>	<b>2019</b>
Net profit for the period (\$'000)	1,403
Weighted average number of units for EPU (units '000s)	2,978
<b>Earnings per unit (cents per unit)</b>	<b>47.10</b>

	26 October 2018 to 31 December 2019
<b>Diluted earnings per unit</b>	<b>2019</b>
Net profit for the period (\$'000)	1,403
Weighted average number of units for EPU (units '000s)	2,978
<b>Earnings per unit (cents per unit)</b>	<b>47.10</b>

**11 Events occurring after the reporting period**

No significant events have occurred since the reporting date which would impact on the financial position of the Trust as at 31 December 2019 or on the results and cash flows of the Trust for the period ended on that date.

**12 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2019 (30 June 2019: \$Nil).

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## Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 5 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2019 and of its performance for the period ended on that date;
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board of Fidante Partners Limited.



**A Bell**  
**Director**

**Sydney**  
**20 February 2020**

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## Independent Auditor's Review Report to the Unitholders of ActiveX Trust

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of ActiveX Trust (the Trust), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in unitholder funds and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Trust is not in accordance with the Corporations Act 2001, including:

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

#### Directors' Responsibility for the Half-Year Financial Report

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

#### Auditor's Responsibility

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

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



## Independence

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

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Rita Da Silva' in a cursive style.

Rita Da Silva  
Partner  
Sydney  
20 February 2020

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**Directory**

**Responsible Entity**

Fidante Partners Limited  
ABN 94 002 835 592  
AFSL 234668

**Registered office and principal place of business**

Level 2  
5 Martin Place  
Sydney NSW 2000

**Custodian**

Citigroup Pty Limited  
Level 23  
2 Park Street  
Sydney NSW 2000

**Auditor**

For the Responsible Entity and the Trust  
Ernst & Young  
200 George Street  
Sydney NSW 2000

**Asset Manager**

Ardea Investment Management Pty Limited  
Level 2  
5 Martin Place  
Sydney NSW 2000

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