



**Airlie**  
Funds Management

# Airlie Australian Share Fund

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## Interim Report

For the half year ended 31 December 2021

ABN 67 764 357 242

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# Chairman's Report

for the half year ended 31 December 2021

Dear Unitholders,

We are pleased to present the Interim Financial Report for the Airlie Australian Share Fund (Managed Fund) (the "Fund"). The Fund is a managed investment scheme for which Magellan Asset Management Limited ("MAM") acts as both Responsible Entity and Investment Manager.

The Fund has been quoted on the Australian Securities Exchange (ticker code: AASF) since 4 June 2020. As at 31 December 2021, the Fund had net assets of \$284.4 million and a Net Asset Value ("NAV") per unit of \$3.6374 after providing for the final distribution of 5.61 cents per unit for the six months to 31 December 2021.

The Fund's portfolio is actively managed by MAM. The Fund's primary objective is to provide long-term capital growth and regular income through investment in Australian equities. To achieve this, the Fund invests in a portfolio of between 15 and 36 companies that MAM has identified based on their financial strength, attractive durable business characteristics and the quality of their management teams. MAM invests in these companies when its view of their fair value exceeds the prevailing market price.

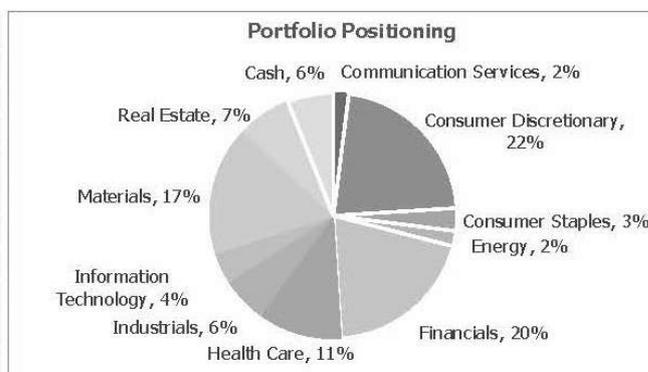
For the six and 12 months to 31 December 2021, the Fund returned 10.7% and 28.8% net of fees respectively. This compares with the return of the index (S&P/ASX 200 Accumulation Index) of 3.8% and 17.2% respectively over the same period.

The Fund paid a cash distribution of 5.61 cents per unit in respect of the six months to 31 December 2021. This is consistent with MAM's stated intention to target a cash distribution yield of 4% per annum of the average of the month-end NAV per Unit over the two year rolling period ending on the last Business Day of the prior distribution period.

We would encourage you to read our monthly and quarterly Fund Reports which provide valuable insight into our investment strategies and portfolio managers' thoughts. These are released on ASX and can also be found on our website: [www.airlifundmanagement.com.au](http://www.airlifundmanagement.com.au).

As at 31 December 2021, the Portfolio consisted of investments in 32 companies and had a cash position of 6% of the portfolio. The Fund's Portfolio positioning based on GICS Sector classification is highlighted below.

Top 10 holdings (as at 31 December 2021)	Sector
Commonwealth Bank of Australia	Financials
Mineral Resources	Materials
BHP Group	Materials
CSL	Health Care
PWR Holdings	Consumer Discretionary
Macquarie Group	Financials
Wesfarmers	Consumer Discretionary
National Australia Bank	Financials
Aristocrat Leisure	Consumer Discretionary
Dicker Data	Information Technology



**Robert Fraser**  
Chairman

Sydney, 2 March 2022

# Responsible Entity's Report

for the half year ended 31 December 2021

The Directors of Magellan Asset Management Limited (ABN 31 120 593 946) ("MAM"), the Responsible Entity of Airlie Australian Share Fund (the "Fund") present their half year report on the Fund for the period ended 31 December 2021.

## 1. Directors

The following persons were Directors of MAM during the period and up to the date of this report:

		Appointed	Resigned
Robert Fraser	Chairman	23 April 2014	
John Eales	Non-executive Director	1 July 2017	
Colette Garnsey	Non-executive Director	30 November 2020	
Hamish McLennan	Non-executive Director	1 March 2016	
Kirsten Morton	Interim Chief Executive Officer/Chief Financial Officer <sup>1</sup>	5 October 2018	
Karen Phin	Non-executive Director	23 April 2014	
Brett Cairns	Chief Executive Officer	22 January 2007	6 December 2021
Paul Lewis	Non-executive Director	20 December 2006	30 September 2021

<sup>1</sup> Following Mr Cairns' resignation on 6 December 2021, Ms Morton was appointed Interim Chief Executive Officer.

## 2. Principal Activity

The Fund is a registered managed investment scheme domiciled in Australia, with the principal place of business at Level 36, 25 Martin Place, Sydney, New South Wales, 2000 and quoted on the Australian Securities Exchange ("ASX") under the AQUA Rules (ticker code: AASF).

MAM, as Responsible Entity, is responsible for overseeing the operations of the Fund. MAM is also Investment Manager, responsible for selecting and managing the assets of the Fund. In addition, the Responsible Entity, on behalf of the Fund, may also provide trading liquidity to investors on the ASX under the AQUA Rules by acting as a buyer and seller of units in the Fund. The Responsible Entity has appointed an independent market participant to act as its agent to execute its market making activities.

The Fund invests in a portfolio of between 15 and 36 Australian equities to produce wealth accumulation through active management. The Fund's primary investment objective is to provide long-term capital growth and regular income through investment in Australian equities (as detailed in the Product Disclosure Statement ("PDS"), dated 23 December 2021).

## 3. Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Fund during the period.

# Responsible Entity's Report

for the half year ended 31 December 2021

## 4. Review of Financial Results and Operations

### 4.1. Financial Results for the Period

The performance of the Fund, as represented by the results of its operations for the periods ended 31 December, was as follows:

	31 Dec 2021	31 Dec 2020
<b>Results</b>		
Total net investment income (\$'000)	18,303	5,009
Total expenses (\$'000)	(877)	(185)
<b>Profit/(Loss) (\$'000)</b>	<b>17,426</b>	<b>4,824</b>
<b>Distributions</b>		
Distribution paid and payable (\$'000)	4,386	791
Distribution paid and payable (CPU) <sup>1</sup>	5.61	5.21
<b>Unit Price (NAV Per Unit) (\$)<sup>2</sup></b>	<b>3.6374</b>	<b>2.9141</b>
<b>ASX Reported NAV Per Unit (\$)<sup>3</sup></b>	<b>3.6931</b>	<b>2.9662</b>

<sup>1</sup> Cents Per Unit.

<sup>2</sup> The Net Asset Value ("NAV") per unit represents the net assets of the Fund shown in the Statement of Financial Position at balance date divided by the number of units on issue at balance date (as shown in Note 4 to the Financial Statements).

<sup>3</sup> The NAV per unit reported to the ASX will differ to the NAV per unit at balance date due to distributions payable and fee accruals.

The final distribution for the year ended 30 June 2021 of 5.32 cents per unit amounting to \$1,618,000 was paid on 21 July 2021 and in addition passed on franking credits of 1.03 cents per unit to unitholders.

### 4.2. Total Indirect Cost Ratio

The Total Indirect Cost Ratio ("ICR") is the ratio of the Fund's actual management costs over the average portfolio value expressed as a percentage. Management costs, accrued within the Fund's unit prices on a daily basis, include management fees but do not include transactional and operational costs such as brokerage or foreign withholding tax.

	6 Months to 31 Dec 2021 %	12 Months to 31 Dec 2021 %	6 Months to 31 Dec 2020 %	12 Months to 31 Dec 2020 %
Management fee	0.39	0.78	0.39	0.78
<b>Total Indirect Cost Ratio</b>	<b>0.39</b>	<b>0.78</b>	<b>0.39</b>	<b>0.78</b>

### 4.3. Performance Returns

The performance returns have been calculated using the redemption price for the Fund, which is after fees and expenses, assuming the reinvestment of distributions. The returns are calculated daily, compounded to produce longer period returns.

	6 Months to 31 Dec 2021 %	12 Months to 31 Dec 2021 %	6 Months to 31 Dec 2020 %	12 Months to 31 Dec 2020 %
Growth return <sup>1</sup>	9.0	24.8	12.9	3.2
Distribution return <sup>2</sup>	1.7	4.0	2.0	5.1
<b>Total Return<sup>3</sup></b>	<b>10.7</b>	<b>28.8</b>	<b>14.9</b>	<b>8.3</b>

<sup>1</sup> The Growth return is calculated daily as a percentage by dividing the unit price (ex-distribution) by the previous day's unit price (ex-distribution) minus 1; the daily Growth returns are then compounded to produce longer period returns.

<sup>2</sup> The Distribution return is calculated as a percentage by subtracting the Growth return from the Total Return.

<sup>3</sup> The Total return is calculated daily as a percentage by dividing the unit price (cum-distribution) by the previous day's unit price (ex-distribution) minus 1; the daily Total returns are then compounded to produce longer period returns.

# Responsible Entity's Report

for the half year ended 31 December 2021

## 5. Strategy and Future Outlook

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

The Fund provides daily unit prices, monthly fund updates, quarterly portfolio disclosures and annual investor reports, which can be found on the Airlie Australian Share Fund website, [www.airlieaustraliansharefund.com.au](http://www.airlieaustraliansharefund.com.au). Fund updates and investor reports include detailed discussions in relation to some investee companies from time to time along with general outlook commentary.

## 6. Interest in the Fund

The movement in units on issue in the Fund is disclosed in Note 4 to the Financial Statements.

## 7. Likely Developments and Expected Results of Operations

The Fund will continue to invest in companies and businesses in accordance with the investment strategy as set out in the PDS.

The method of operating the Fund is not expected to change in the foreseeable future. However the results of the Fund's operations may be affected by a number of factors, including the performance of investment markets in which the Fund invests.

## 8. Subsequent Events

NAV moves as a result of a number of factors including movements in asset prices and unitholder subscriptions and redemptions. Subsequent to balance date, as at 24 February 2022, the Fund had a NAV per unit of \$3.3543 with net asset value of \$292,696,000 and 87,260,000 units.

Other than the items disclosed throughout this Responsible Entity's Report, there have been no matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Fund's operations, the results of its operations, or the Fund's state of affairs in future financial periods.

Asset prices move daily and intraday indicative NAV per unit and daily NAV per unit are available on the Airlie Australian Share Fund website, [www.airlieaustraliansharefund.com.au](http://www.airlieaustraliansharefund.com.au) and also the ASX website.

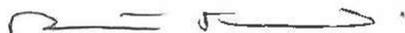
## 9. Rounding of Amounts

The Fund is of a kind referred to in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently amounts in the Responsible Entity's Report have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases, the nearest dollar.

## 10. 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 7.

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



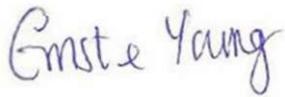
**Robert Fraser**  
Chairman

Sydney, 2 March 2022

## **Auditor's Independence Declaration to the Directors of Magellan Asset Management Limited as Responsible Entity for Airlie Australian Share Fund**

As lead auditor for the review of the Interim Financial Report of Airlie Australian Share Fund for the interim period ended 31 December 2021, 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;
- b. no contraventions of any applicable code of professional conduct in relation to the review; and
- c. no non-audit services provided that contravene any applicable code of professional conduct in relation to the review.



**Ernst & Young**



**Clare Sporle**

Partner

Sydney, 2 March 2022

# Statement of Profit or Loss and Comprehensive Income

for the half year ended 31 December 2021

	Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Investment Income</b>			
Dividend and distribution income		3,201	526
Interest income		-	1
Net change in fair value of investments		15,102	4,480
Other income		-	2
<b>Total Net Investment Income</b>		<b>18,303</b>	<b>5,009</b>
<b>Expenses</b>			
Management fees		742	133
Transaction costs		127	52
Withholding tax on dividends		8	-
<b>Total Expenses</b>		<b>877</b>	<b>185</b>
<b>Profit/(Loss)</b>		<b>17,426</b>	<b>4,824</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income/(Loss)</b>		<b>17,426</b>	<b>4,824</b>
<b>Basic Earnings Per Unit (Cents)</b>	5	<b>32.68</b>	38.85
<b>Diluted Earnings Per Unit (Cents)</b>	5	<b>32.68</b>	38.85

The above Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying Notes to the Financial Statements.

# Statement of Financial Position

as at 31 December 2021

	Note	31 Dec 2021 \$'000	30 Jun 2021 \$'000
<b>Assets</b>			
Cash and cash equivalents		16,909	6,250
Receivables		1,317	908
Investments	3	270,857	96,433
<b>Total Assets</b>		<b>289,083</b>	103,591
<b>Liabilities</b>			
Distributions payable	2	4,386	1,618
Payables		325	475
<b>Total Liabilities</b>		<b>4,711</b>	2,093
<b>Total Unitholders' Equity</b>		<b>284,372</b>	101,498

The above Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

# Statement of Changes in Equity

for the half year ended 31 December 2021

	Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Total Unitholders' Equity at beginning of the Period</b>		<b>101,498</b>	26,803
<b>Transactions with Unitholders in their Capacity as Owners:</b>			
Units issued		<b>175,933</b>	15,367
Units issued under Distribution Reinvestment Plan and management fee rebates		<b>214</b>	83
Units redeemed		<b>(6,313)</b>	(2,051)
Distributions paid and payable	2	<b>(4,386)</b>	(791)
<b>Total Transactions with Unitholders</b>		<b>165,448</b>	12,608
Profit/(loss)		<b>17,426</b>	4,824
Other comprehensive income		-	-
Total comprehensive income/(loss)		<b>17,426</b>	4,824
<b>Total Unitholders' Equity at the end of the Period</b>		<b>284,372</b>	44,235

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

# Statement of Cash Flows

for the half year ended 31 December 2021

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Cash Flows from Operating Activities</b>		
Dividends and distributions received (net of withholding tax)	3,152	517
Interest received	-	1
Other income received	-	2
Management fees paid	(600)	(124)
Transaction costs paid	(127)	(52)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>2,425</b>	<b>344</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(185,652)	(18,912)
Proceeds from sale of investments	25,976	6,898
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>	<b>(159,676)</b>	<b>(12,014)</b>
<b>Cash Flows from Financing Activities</b>		
Receipts from issue of units	175,692	15,453
Payments for redemption of units	(6,304)	(2,051)
Distributions paid	(1,478)	(748)
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>	<b>167,910</b>	<b>12,654</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	10,659	984
Cash and cash equivalents at the beginning of the period	6,250	1,185
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>16,909</b>	<b>2,169</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

# Notes to the Financial Statements

for the half year ended 31 December 2021

## Overview

The Fund is a registered managed investment scheme under the *Corporations Act 2001* and quoted on the ASX under the AQUA Rules (ticker code: AASF). In accordance with the Fund's Constitution, it commenced on the date that the first unit was issued, which was 31 May 2018. The Fund will terminate on the day immediately preceding the 80th anniversary of the Date of Commencement, unless terminated earlier in accordance with the provisions of the Fund's Constitution.

MAM (ABN 31 120 593 946) is the Responsible Entity of the Fund.

This interim financial report was authorised for issue by the Directors of the Responsible Entity on 2 March 2022. The Directors have the power to amend and reissue this financial report.

The Fund is considered a for-profit unit trust for the purpose of this interim financial report.

## 1. Basis of Preparation

The condensed interim financial report is a general purpose financial report, presented in Australian Dollars, and has been prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001*, other mandatory professional reporting requirements and the Fund's Constitution.

The condensed interim financial report does not include all the information and disclosures normally included in the annual financial report. Accordingly, this report should be read in conjunction with the 30 June 2021 Annual Report and any public announcements made during the period.

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 12 months, except for financial assets and liabilities at fair value through profit or loss. These fair value assets and liabilities comprise mainly investments that are managed based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. Consequently, the investments that may be realised within 12 months cannot be determined at balance date.

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000) or in certain cases, the nearest dollar, unless otherwise stated in accordance with the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

### 1.1. Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. The Fund has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective at balance date.

### 1.2. Critical Accounting Estimates and Judgements

The preparation of the Fund's 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. As a result, actual results could differ from those estimates.

Where listed equities have no active market the Directors determine fair value with reference to external observable information and conditions existing at balance date. Fair values may however move materially with movements in market prices. As most investments are valued with reference to the listed quoted prices and the Fund's cash is held with strongly rated financial institutions, the Fund's financial assets are not subject to significant judgement or complexity nor are the Fund's liabilities.

# Notes to the Financial Statements

for the half year ended 31 December 2021

## 2. Distributions to Unitholders

Distributions for the periods ended 31 December are as follows:

	\$'000	CPU	Date Paid
<b>Period ended 31 December 2021</b>			
Prior year final distribution paid	1,618	5.32	21 Jul 2021
Interim distribution payable	4,386	5.61	19 Jan 2022

	\$'000	CPU	Date Paid
<b>Period ended 31 December 2020</b>			
Prior year final distribution paid	831	8.00	14 Jul 2020
Interim distribution payable	791	5.21	15 Jan 2021

A distribution payable is recognised in the Statement of Financial Position where the distribution has been declared but remains unpaid at balance date.

On 10 January 2022 MAM announced the Target Cash Distribution for the six month period ended 30 June 2022 will be 6.00 CPU.

### Distribution Reinvestment Plan

The Fund's Distribution Reinvestment Plan ("DRP") was available to eligible unitholders during the period. Under the terms of the DRP, eligible unitholders are able to elect to reinvest all or part of their cash distributions in additional units in the Fund, free of any brokerage or transaction costs. Units are issued and/or transferred to DRP participants at a price determined by MAM in accordance with the DRP Rules. Details of the DRP for the interim and final distributions are as follows:

	31 Dec 2021 Interim Distribution	30 Jun 2021 Final Distribution	31 Dec 2020 Interim Distribution	30 Jun 2020 Final Distribution
DRP issue price (\$)	3.6371	3.3366	2.9141	2.5808
DRP unitholder participation rate (%)	29.59	8.67	12.94	10.04
Number of units issued under DRP	356,768	41,927	33,904	32,170
Value of units issued under DRP (\$'000)	1,298	140	99	83
DRP issue date	19 Jan 2022	21 Jul 2021	15 Jan 2021	14 Jul 2020

## 3. Investments

The Fund classifies its equity securities as financial assets and liabilities at fair value through profit or loss.

The Fund discloses the fair value measurements of financial assets and financial liabilities using a three-level fair value hierarchy to reflect the source of valuation inputs used when determining the fair value as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of these securities is based on the closing price for the security as quoted on the relevant exchange.
- Level 2: valuation techniques using observable inputs either directly (as prices) or indirectly (derived from prices). The fair value of derivatives is based on a discounted cash flow analysis using quoted market inputs (spot and forward rates, volatility) adjusted for specific features of the instruments and applied debit and credit valuation adjustments based on the Fund's, or the derivative counterparties' current credit worthiness.
- Level 3: valuation techniques using non-market observable inputs.

# Notes to the Financial Statements

for the half year ended 31 December 2021

## Details of Investments

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
<b>Investments (Level 1)</b>		
Equity securities listed on the ASX:		
Commonwealth Bank Of Australia	21,798	7,516
Mineral Resources	17,435	3,833
BHP Billiton	15,478	5,885
CSL	13,912	5,809
PWR Holdings	13,849	4,234
Macquarie Bank	12,475	3,306
Wesfarmers	12,082	3,969
National Australia Bank	11,917	4,491
Aristocrat Leisure	9,447	4,298
Dicker Data	9,164	2,219
EBOS Group	9,007	2,204
Woolworths	8,865	3,204
James Hardie Industries	8,242	2,181
Charter Hall	8,196	1,981
Medibank	7,875	3,220
Seven Group	7,541	2,232
Healius	7,385	3,548
Tabcorp	7,211	2,298
News Corp	6,937	-
SCA	6,860	1,558
Northern Star	6,749	1,931
ARB	6,435	1,918
Waypoint	6,309	1,569
Nick Scali	6,183	2,500
Smart Group	5,666	1,754
Premier Investments	5,220	1,798
Ampol	5,134	2,414
Pendal Group	3,408	-
Reece Australia	3,270	1,374
Life360	3,225	1,431
MLG Oz	2,244	1,877
Silk Laser	1,338	-
Aurizon Holdings	-	3,015
Westpac Banking	-	2,113
Origin Energy	-	1,756
Pacific Current	-	1,513
Credit Corp	-	854
Endeavour Group	-	630
Australian listed equity securities	<b>270,857</b>	96,433
<b>Total Investments</b>	<b>270,857</b>	96,433

The Fund does not hold any level 2 or 3 assets. There have been no transfers between any of the three levels in the hierarchy during the period and the Fund's policy is to recognise transfers into and out of fair value hierarchy levels as at balance date.

# Notes to the Financial Statements

for the half year ended 31 December 2021

## 4. Unitholders' Equity

	6 Months to 31 Dec 2021 No. of Units	12 Months to 30 Jun 2021 No. of Units
<b>Units on Issue</b>		
Opening balance	30,419,336	10,385,500
Units issued	65,856,026	35,084,602
Units issued under DRP and management fee rebates	54,895	66,075
Units redeemed	(18,150,783)	(15,116,841)
<b>Units on Issue at end of the Period</b>	<b>78,179,474</b>	<b>30,419,336</b>

### Entering and exiting the Fund

Investors can enter or exit the Funds via buying/selling units on the ASX or by applications/withdrawals direct to/from the Responsible Entity. The method of entry into the Fund does not affect the method of exit from the Fund. The entry and exit price received and investment minimums are set out in the Fund's PDS at [www.airlifundsmangement.com.au](http://www.airlifundsmangement.com.au).

### Ordinary Units

Applications received for units in the Fund are recorded net of entry fees. Redemptions from the Fund are recorded gross of exit fees. The Fund recognises units issued or redeemed when settled, which is trade date.

Each unit confers upon the unitholder an equal interest in the Fund, and is of equal value to other units in the Fund. A unit does not confer upon the holder any interest in any particular asset or investment of the Fund. The rights of unitholders are contained in the Fund's Constitution and include:

- the right to receive a distribution determined in accordance with the provisions of the Fund's Constitution;
- the right to attend and vote at meetings of unitholders;
- the right to participate in the termination and winding up of the Fund; and
- the right to redeem units, subject to restrictions disclosed in the Fund's PDS. Those restrictions may include where trading in units on the ASX are suspended for five consecutive business days. In this case, unitholders may apply to the Responsible Entity to make an off-market withdrawal of their investment from the Fund when the Fund is liquid. Where the Fund ceases to be liquid, units may only be withdrawn once an offer is made to all investors in the Fund in accordance with the Fund's Constitution.

There may be other circumstances where off-market withdrawals from the Fund are suspended for up to 28 days, including where:

- it is impracticable for the Responsible Entity, or the Responsible Entity is unable, to calculate the NAV of the Fund;
- the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in the Responsible Entity's opinion, result in remaining investors bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or diminution of the value of units held;
- the Responsible Entity reasonably considers it would be in the interests of investors, or it is otherwise permitted by law; or
- the Responsible Entity receives withdrawal requests of an aggregate value that in its reasonable estimate exceeds 5% of the Fund's assets.

There are no separate classes of units and each unit in the Fund has the same rights attaching to it as all other units of the Fund.

# Notes to the Financial Statements

for the half year ended 31 December 2021

## 5. Earnings per Unit

Basic Earnings Per Unit ("EPU") is calculated as profit/(loss) for the period divided by the weighted average number of units on issue. Diluted earnings per unit is calculated by adjusting the basic earnings per unit to take into account the effect of any changes in income or expense associated with dilutive potential units and the weighted average number of additional ordinary units that would have been outstanding assuming the conversion of all dilutive potential ordinary units.

	31 Dec 2021	31 Dec 2020
<b>Basic EPU</b>		
Profit/(loss) attributable to unitholders (\$'000)	17,426	4,824
Weighted average number of units for basic EPU	53,322,215	12,417,383
<b>Basic EPU (Cents)</b>	32.68	38.85
<b>Diluted EPU</b>		
Profit/(loss) attributable to unitholders (\$'000)	17,426	4,824
Weighted average number of units for diluted EPU	53,322,215	12,417,383
<b>Diluted EPU (Cents)</b>	32.68	38.85
<b>Earnings Reconciliation</b>		
Profit/(loss) used in the calculation of basic and diluted EPU (\$'000)	17,426	4,824

As the Fund has no potential dilutive units basic and diluted EPU are equal. Since the end of the period, the Fund has issued ordinary units under the DRP (refer Note 2).

## 6. Net Asset Value per Unit

The NAV per unit represents the net assets of the Fund presented in the Statement of Financial Position at balance date divided by the number of units on issue at balance date (refer Note 4).

	31 Dec 2021	30 Jun 2021
	\$	\$
NAV per unit	3.6374	3.3366

The NAV per unit at balance date may differ from the NAV per unit reported to the ASX due to distributions payable and fee accruals.

NAV moves as a result of a number of factors including movements in asset prices and unitholder subscriptions and redemptions. Subsequent to balance date, as at 24 February 2022, the Fund had a NAV per unit of \$3.3543 with net asset value of \$292,696,000 and 87,260,000 units.

## 7. Segment Information

An operating segment is a distinguishable component of the Fund that is engaged in business activity from which the Fund earns revenues and incurs expenses, whose operating results are regularly reviewed by the Fund's chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision maker has been determined as Ms Kirsten Morton.

The Fund's investments are managed on a single portfolio basis and in one business segment being equity investment, as well as in one geographic segment being Australia.

## 8. Contingent Assets, Contingent Liabilities and Commitments

At balance date the Fund has no contingent assets, contingent liabilities or commitments (June 2021: nil).

## 9. Subsequent Events

Other than the items disclosed throughout this interim financial report, there have been no matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Fund's operations, the results of its operations, or the Fund's state of affairs in future periods. Asset prices move daily and daily unit prices are available on the Airlie Australian Share Fund website, [www.airlieaustraliansharefund.com.au](http://www.airlieaustraliansharefund.com.au).

# Directors' Declaration

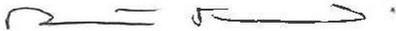
for the half year ended 31 December 2021

In the Directors' opinion,

- a. the financial statements and notes set out on pages 8 to 16 are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the financial position of the Fund as at 31 December 2021 and of its performance as represented by the results of its operations and cash flows for the period ended on that date;
  - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b. 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 has been made after receiving declarations that mirror section 295A of the *Corporations Act 2001* and are recommended by the ASX Corporate Governance Principles and Recommendations.

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



**Robert Fraser**

Chairman

Sydney, 2 March 2022

## Independent Auditor's Review Report to the unitholders of Airlie Australian Share Fund

### Conclusion

We have reviewed the accompanying Interim Financial Report of Airlie Australian Share Fund (the Fund), which comprises the statement of financial position as at 31 December 2021, the statement of profit and loss and comprehensive income, statement of changes in equity and statement of cash flows for the interim period 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 interim financial report of the Fund is not in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the Fund's financial position as at 31 December 2021 and of its financial performance for the interim period ended on that date; and
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Annual Financial Report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

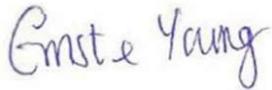
### Directors' Responsibility for the Interim Financial Report

The directors of the Responsible Entity are responsible for the preparation of the Interim 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 Interim 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 Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2021 and its performance for the interim period ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim 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.



**Ernst & Young**



**Clare Sporle**

Partner

Sydney, 2 March 2022

# Corporate Information

## Directors of the Responsible Entity

Robert Fraser - Chairman  
John Eales AM  
Colette Garnsey OAM  
Hamish McLennan  
Kirsten Morton - Interim Chief Executive Officer and Chief Financial Officer  
Karen Phin

## Company Secretaries of the Responsible Entity

Marcia Venegas  
Mariana Kolaroski

## Registered Office

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Sydney NSW 2000  
Telephone: +61 2 9235 4760  
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## Website

<https://www.airlifundsmanagement.com>

## Auditor

Ernst & Young  
200 George Street  
Sydney NSW 2000

## Unit Registrar

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Sydney NSW 2000  
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Fax: +61 2 9247 2822  
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