

ALPHA FUNDS

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

This financial report covers the following Alpha Funds:

Alpha Australian Blue Chip Fund
ARSN 124 204 217

Alpha Global Opportunities Fund
ARSN 124 204 299

Alpha Property Securities Fund
ARSN 124 203 774

ALPHA FUNDS

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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Directors' declaration

Independent auditor's report to the unit holders of Alpha Funds

This annual report covers the following Funds as individual entities:

Alpha Australian Blue Chip Fund

Alpha Global Opportunities Fund

Alpha Property Securities Fund

The Responsible Entity of Alpha Funds is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street
Melbourne, Victoria 3000.

DIRECTORS' REPORT

The directors of Equity Trustees Limited, the Responsible Entity of the Alpha Funds (the "Funds"), present their report together with the financial statements of the following Funds for the year ended 30 June 2021.

Alpha Australian Blue Chip Fund

Alpha Global Opportunities Fund

Alpha Property Securities Fund

The Funds are collectively known as "Alpha Funds".

Principal activities

The principal activity of each Fund is to invest in accordance with the investment objective and guidelines as set out in the respective Fund's current Product Disclosure Statement and its Constitution.

The Funds did not have any employees during the year.

There were no significant changes in the nature of the Funds' activities during the year.

The various service providers for the Funds are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Alpha Fund Managers Pty Ltd
Custodian and Administrator	Mainstream Fund Services Pty Ltd*
Statutory Auditor	Deloitte Touche Tohmatsu

* On 22 September 2020, Mainstream Fund Services Pty Ltd replaced State Street Australia Limited as custodian and administrator to the Alpha Property Securities Fund.

On 9 October 2020, Mainstream Fund Services Pty Ltd replaced State Street Australia Limited as custodian and administrator to the Alpha Australian Blue Chip Fund and Alpha Global Opportunities Fund .

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the year and up to the date of this report:

Philip D Gentry	Chairman
Harvey H Kalman	(resigned 1 September 2020)
Ian C Westley	(resigned 3 July 2020)
Michael J O'Brien	
Russell W Beasley	(appointed 1 September 2020)

DIRECTORS' REPORT (CONTINUED)

Review and results of operations

During the year, the Funds continued to invest their funds in accordance with the Product Disclosure Statement and the provisions of the Funds' Constitution.

The Funds' performance and the Funds' benchmark returns for the year ended 30 June 2021 were as follows:

Fund name	Benchmark	Net return (net of fees)	Benchmark return
Alpha Australian Blue Chip Fund	S&P/ASX 300 Accumulation Index	27.37%	28.49%
Alpha Global Opportunities Fund	MSCI World ex-Aus (AUD) Index	23.98%	27.50%
Alpha Property Securities Fund	FTSE EPRA/NAREIT Developed Index and the S&P ASX200 Property Trusts Accumulation Index	30.44%	30.50%

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

	Alpha Australian Blue Chip Fund Year ended		Alpha Global Opportunities Fund Year ended		Alpha Property Securities Fund Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Profit/(loss) for the year (\$'000)	4,322	(2,246)	4,900	2,874	3,562	(4,080)
Distributions paid and payable (\$'000)	2,855	1,143	6,940	1,898	620	2,029
Distributions (cents per unit)	15.01	3.23	48.99	4.78	2.37	4.03

Distributions (cents per unit) excludes special distributions paid in its calculation. The cents per unit figure for special distributions is disclosed at Note 8 to the financial statements.

Significant changes in the state of affairs

Ian C Westley resigned as a director of Equity Trustees Limited on 3 July 2020.

Harvey H Kalman resigned as a director of Equity Trustees Limited on 1 September 2020.

Russell W Beasley was appointed as a director of Equity Trustees Limited on 1 September 2020.

On 22 September 2020, Mainstream Fund Services Pty Ltd replaced State Street Australia Limited as custodian and administrator to the Alpha Property Securities Fund.

On 9 October 2020, Mainstream Fund Services Pty Ltd replaced State Street Australia Limited as custodian and administrator to the Alpha Australian Blue Chip Fund and Alpha Global Opportunities Fund.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Funds that occurred during the financial year ended 30 June 2021.

DIRECTORS' REPORT (CONTINUED)

COVID-19 Outbreak

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time. The prior year saw an increase in financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. There is still some uncertainty around the impact of COVID, the potential for further outbreaks and the COVID vaccine and its roll out both in Australia and around the world.

The Responsible Entity and Investment Manager are monitoring the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Funds. The Investment Manager however, actively manages the financial risks that the Funds are exposed to, and the Net Asset Values of the Funds continue to be valued in accordance with the frequency set out in the Funds' Offer Documents, applying valuation policies reflective of the prevailing market conditions.

Matters subsequent to the end of the financial year

On 30 August 2021, the Responsible Entity and the Investment Manager obtained approval from investors to merge the Alpha Global Opportunities Fund (the Fund) with the Alpha Australian Blue Chip Fund, the Alpha Australian Small Companies Fund, the Alpha Property Securities Fund and the Alpha Infrastructure Fund, effective 9 September 2021. The Fund was renamed the Alpha High Growth Fund and its investment strategy was amended. The merging of these funds took place via in specie transfers based on the last NAV struck on 9 September 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may have a significant effect on:

- i. the operations of the Funds in future financial years; or
- ii. the results of those operations in future financial years; or
- iii. the state of affairs of the Funds in future financial years.

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Funds' Constitution.

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

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Funds' Constitution and the Law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

Indemnification of auditor

The auditor of the Funds is in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Funds' property during the year are disclosed in Note 15 to the financial statements.

No fees were paid out of Funds' property to the directors of the Responsible Entity during the year.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 15 to the financial statements.

DIRECTORS' REPORT (CONTINUED)

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in Note 7 to the financial statements.

The value of the Funds' assets and liabilities is disclosed on the statements of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Financial statements presentation

The Funds are entities of the kind referred to in *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* and in accordance with that Instrument, Funds with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single set of financial reports.

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 6.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
29 October 2021

29 October 2021

The Board of Directors
Equity Trustees Limited
Level 1, 575 Bourke Street
MELBOURNE VIC 3000

Dear Board Members,

Independence Declaration – Alpha Funds

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Equity Trustees Limited, the Responsible Entity, regarding the financial reports of Alpha Australian Blue Chip Fund, Alpha Global Opportunities Fund and Alpha Property Securities Fund (collectively the "Alpha Funds" or the "Funds").

As lead audit partner for the audits of the financial statements of the Funds for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Chester Hii
Partner
Chartered Accountants

Alpha Funds
Statements of comprehensive income
For the year ended 30 June 2021

STATEMENTS OF COMPREHENSIVE INCOME

	Note	Alpha Australian Blue Chip Fund		Alpha Global Opportunities Fund		Alpha Property Securities Fund	
		Year ended		Year ended		Year ended	
		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Investment income							
Interest income from financial assets at amortised cost		-	-	-	-	1	-
Dividend and distribution income		615	442	415	1,512	432	841
Net foreign exchange gain/(loss)		2	-	(113)	6	89	(1)
Net gains/(losses) on financial instruments at fair value through profit or loss		3,944	(2,476)	4,930	1,607	3,141	(4,685)
Other income		2	73	94	152	80	130
Total investment income/(loss)		4,563	(1,961)	5,326	3,277	3,743	(3,715)
Expenses							
Management fees	15	73	172	77	353	83	164
Performance fees	15	-	-	-	-	-	-
Custody and administration fees		54	16	53	22	49	13
Withholding taxes		4	3	50	-	14	11
Transaction costs		53	38	70	3	14	61
Other expenses	14	57	56	176	25	21	116
Total expenses		241	285	426	403	181	365
Profit/(loss) for the year		4,322	(2,246)	4,900	2,874	3,562	(4,080)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		4,322	(2,246)	4,900	2,874	3,562	(4,080)

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

STATEMENTS OF FINANCIAL POSITION

	Note	Alpha Australian Blue Chip Fund As at		Alpha Global Opportunities Fund As at		Alpha Property Securities Fund As at	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents	9	110	10,978	277	1,310	123	857
Receivables	11	65	92	56	1,582	164	271
Due from brokers - receivable for securities sold		-	2,907	-	10,665	101	2,000
Financial assets at fair value through profit or loss	5	16,168	11,796	20,927	24,437	11,563	16,506
Margin accounts		-	-	-	-	-	2
Total assets		16,343	25,773	21,260	37,994	11,951	19,636
Liabilities							
Distributions payable	8	2,495	702	5,029	1,898	533	1,493
Payables	12	84	587	144	981	52	602
Due to brokers - payable for securities purchased		-	-	-	-	-	12
Total liabilities		2,579	1,289	5,173	2,879	585	2,107
Net assets attributable to unit holders - equity	7	13,764	24,484	16,087	35,115	11,366	17,529

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

Alpha Funds
Statements of changes in equity
For the year ended 30 June 2021

STATEMENTS OF CHANGES IN EQUITY

	Note	Alpha Australian Blue Chip Fund Year ended		Alpha Global Opportunities Fund Year ended		Alpha Property Securities Fund Year ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		24,484	34,950	35,115	45,159	17,529	29,530
Comprehensive income for the financial year							
Profit/(loss) for the year		4,322	(2,246)	4,900	2,874	3,562	(4,080)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		4,322	(2,246)	4,900	2,874	3,562	(4,080)
Transactions with unit holders							
Applications	7	1,204	2,412	1,457	3,088	1,360	2,269
Redemptions	7	(13,401)	(9,510)	(18,452)	(14,112)	(10,479)	(8,173)
Reinvestment of distributions	7	10	21	7	4	14	12
Distributions paid and payable	7	(2,855)	(1,143)	(6,940)	(1,898)	(620)	(2,029)
Total transactions with unit holders		(15,042)	(8,220)	(23,928)	(12,918)	(9,725)	(7,921)
Total equity at the end of the financial year		13,764	24,484	16,087	35,115	11,366	17,529

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Alpha Funds
Statements of cash flows
For the year ended 30 June 2021

STATEMENTS OF CASH FLOWS

	Note	Alpha Australian Blue Chip Fund Year ended		Alpha Global Opportunities Fund Year ended		Alpha Property Securities Fund Year ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Proceeds from sale of financial instruments at fair value through profit or loss		34,824	26,038	66,183	13,823	14,809	21,107
Payments for purchase of financial instruments at fair value through profit or loss		(32,345)	(6,147)	(47,078)	-	(4,838)	(13,574)
Net foreign exchange gain/(loss)		-	-	(102)	6	87	(1)
Net movement in margin accounts		-	-	-	-	2	-
Interest income received from financial assets at amortised cost		-	-	-	-	1	-
Dividends and distributions received		574	282	1,843	-	469	819
Other income received		70	7	154	-	122	14
Management fees paid		(44)	(171)	(81)	(330)	(82)	(159)
Performance fees paid		-	-	-	-	-	-
Custody and administration fees paid		(14)	(15)	(9)	(19)	(7)	(13)
Other expenses paid		(124)	(81)	(184)	(23)	(42)	(170)
Net cash inflow/(outflow) from operating activities	10(a)	2,941	19,913	20,726	13,457	10,521	8,023
Cash flows from financing activities							
Proceeds from applications by unit holders		1,204	2,412	1,457	3,088	1,360	2,269
Payments for redemptions by unit holders		(13,963)	(9,105)	(19,403)	(13,285)	(11,051)	(7,771)
Distributions paid to unit holders		(1,052)	(3,048)	(3,802)	(2,679)	(1,566)	(2,232)
Net cash inflow/(outflow) from financing activities		(13,811)	(9,741)	(21,748)	(12,876)	(11,257)	(7,734)
Net increase/(decrease) in cash and cash equivalents		(10,870)	10,172	(1,022)	581	(736)	289
Cash and cash equivalents at the beginning of the year		10,978	806	1,310	729	857	568
Effect of foreign currency exchange rate changes on cash and cash equivalents		2	-	(11)	-	2	-
Cash and cash equivalents at the end of the year	9	110	10,978	277	1,310	123	857
Non-cash operating and financing activities	10(b)	10	1,319	7	1,712	14	173

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

NOTES TO THE FINANCIAL STATEMENTS

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1. GENERAL INFORMATION

These financial statements cover the below Funds, (the "Funds") as individual entities. The Funds are Australian registered managed investment schemes, which were constituted on the dates in the below table and will terminate in accordance with the provisions of the Funds' Constitution or by Law.

Alpha Australian Blue Chip Fund	28 February 2007
Alpha Global Opportunities Fund	28 February 2007
Alpha Property Securities Fund	28 February 2007

The Responsible Entity of the Funds is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The principal activity of each Fund is to invest in accordance with the investment objective and guidelines as set out in the Fund's current Product Disclosure Statement and its Constitution.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time. The prior year saw an increase in financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. There is still some uncertainty around the impact of COVID, the potential for further outbreaks and the COVID vaccine and its roll out both in Australia and around the world.

The Responsible Entity and Investment Manager are monitoring the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Funds. The Investment Manager however, actively manages the financial risks that the Funds are exposed to, and the Net Asset Values of the Funds continue to be valued in accordance with the frequency set out in the Funds' Offer Documents, applying valuation policies reflective of the prevailing market conditions.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Funds are for-profit entity for the purpose of preparing the financial statements.

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

The statements of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unit holders.

The Funds manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Basis of preparation (continued)

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

i. Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Funds also comply with IFRS as issued by the International Accounting Standards Board (IASB).

ii. New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

iii. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2021, and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

b. Financial instruments

i. Classification

- Financial assets

The Funds classify their financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Funds classify their financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Funds' portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds' policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents, due from brokers receivables and margin accounts, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise, on specified dates, to cash flow that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Financial instruments (continued)

i. Classification (continued)

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable, due to brokers and payables).

ii. Recognition and derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in the fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or the Funds have transferred substantially all risks and rewards of ownership. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of comprehensive income.

iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Funds measure a financial asset and a financial liability at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statements of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statements of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents, due from brokers, margin accounts and receivables are carried at amortised cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Financial instruments (continued)

iv. Impairment

At each reporting date, the Funds shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, due from broker and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the statements of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statements of comprehensive income.

c. Net assets attributable to unit holders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

The units can be put back to the Funds at any time for cash based on the redemption price which is equal to a proportionate share of the Funds' net asset value attributable to the unit holders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Funds.

The Funds' units are classified as equity as they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Funds' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Funds, and is not a contract settled in the Funds' own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss

d. Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents includes cash on hand, 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 and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Funds' main income generating activity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents.

f. Investment income

i. Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

ii. Dividends and distributions

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Trust distributions are recognised on an entitlement basis.

g. Expenses

All expenses are recognised in the statements of comprehensive income on an accruals basis.

h. Income tax

Under current legislation, the Funds are not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income. Withholding taxes are included in the statements of comprehensive income as an expense.

i. Distributions

The Funds may distribute their distributable income, in accordance with the Funds' Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statements of changes in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Foreign currency translation

i. Functional and presentation currency

Balances included in the Funds' financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and are regulated. The Australian dollar is also the Funds' presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The Funds do not isolate that portion of unrealised gains or losses on financial instruments at fair value through profit or loss which is due to changes in foreign exchange rates. Such fluctuations are included in the net gains/(losses) on financial instruments at fair value through profit or loss.

k. Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

l. Receivables

Receivables may include amounts for interest, dividends and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

m. Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statements of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the next financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Applications and redemptions

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

o. Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as management, administration and custodian services where applicable, have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statements of financial position. Cash flows relating to GST are included in the statements of cash flows on a gross basis.

p. Use of estimates and judgements

The Funds make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations, require management to make estimates and judgements. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Funds estimate that the resultant expected credit loss (ECL) derived from using impairment model, has not materially impacted the Funds. Please see Note 3 for more information on credit risk.

For more information on how fair value is calculated refer to Note 4 to the financial statements.

q. Rounding of amounts

The Funds are entities of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

3. FINANCIAL RISK MANAGEMENT

The Funds' activities expose them to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Funds' overall risk management programme focuses on ensuring compliance with the Funds' Product Disclosure Statement and the investment guidelines of the Funds. They also seek to maximise the returns derived for the level of risk to which the Funds are exposed and seek to minimise potential adverse effects on the Funds' financial performance. The Funds' policy allows them to use derivative financial instruments in managing the financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on long equity securities is limited to the fair value of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions. On equities sold short, the maximum loss of capital can be unlimited.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

The investments of the Funds, and associated risks, are managed by a specialist Investment Manager, Alpha Funds Managers Pty Ltd ("Alpha") under an Investment Management Agreement (IMA) approved by the Responsible Entity, and containing the investment strategy and guidelines of the Funds, consistent with those stated in the Product Disclosure Statement.

The Funds use different methods to measure different types of risk to which it is exposed. These methods are explained below.

a. Market risk

i. Price risk

The Funds are exposed to price risk on their investment in securities and unlisted unit trusts. Price risk arises from investments held by the Funds for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

Alpha manages price risk for the Funds by selecting and investing in securities and underlying managed investment schemes that are deemed most appropriate to achieve the investment objectives of the Funds. This process involves extensive due diligence and ongoing monitoring of the selected securities and schemes. The underlying securities and managed investment schemes are diversified to further mitigate price risk.

The tables at Note 3(b) summarises the sensitivities of the Funds' assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Funds invests moves by +/-10% (2020: +/-10%).

ii. Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

Foreign exchange risk is managed by hedging back foreign currencies into Australian Dollars where possible. The Investment Manager monitors the value of these foreign currency positions and alters the foreign exchange hedges accordingly.

The table below summarises the fair value of the Fund's financial assets and financial liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

	NZD A\$'000	USD A\$'000
Alpha Australian Blue Chip Fund		
As at 30 June 2021		
Cash and cash equivalents	1	2
Financial assets at fair value through profit or loss	71	-
Net exposure	72	2

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Market risk (continued)

ii. Foreign exchange risk (continued)

Alpha Global Opportunities Fund	CAD A\$'000	CHF A\$'000	EUR A\$'000	GBP A\$'000	HKD A\$'000	JPY A\$'000	SGD A\$'000	USD A\$'000
As at 30 June 2021								
Cash and cash equivalents	10	2	14	9	1	5	1	38
Receivables	-	-	3	2	2	2	-	15
Financial assets at fair value through profit or loss	821	156	1,729	526	315	356	81	15,046
Net exposure	831	158	1,746	537	318	363	82	15,099

As at 30 June 2020

Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	4,326
Net exposure	-	-	-	-	-	-	-	4,326

Alpha Property Securities Fund	CAD A\$'000	CHF A\$'000	EUR A\$'000	GBP A\$'000	HKD A\$'000	ILS A\$'000	NZD A\$'000	SEK A\$'000	SGD A\$'000	USD A\$'000
As at 30 June 2021										
Cash and cash equivalents	5	2	12	4	69	1	2	2	12	14
Receivables	1	-	-	-	-	-	-	-	-	1
Financial assets at fair value through profit or loss	310	82	654	262	71	66	91	233	381	696
Net exposure	316	84	666	266	140	67	93	235	393	711

As at 30 June 2020, foreign exchange risk was insignificant for Alpha Australian Blue Chip Fund and Alpha Property Securities Fund.

The table at Note 3(b) summarises the sensitivities of the Funds' monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened and strengthened by 10% against the material foreign currencies to which the Fund is exposed.

iii. Interest rate risk

The Funds are exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Funds to fair value interest rate risk.

The Funds' interest bearing financial assets expose them to risks associated with the effects of fluctuation in the prevailing levels of market interest rate on its financial positions and cash flows. The impact of interest rate risk on net assets attributable to unit holders and operating profit are considered immaterial to the Funds.

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Funds to interest rate risk.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Summarised sensitivity analysis

The following tables summarise the sensitivity of the Funds' operating profit and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates and the historical correlation of the Funds' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Funds invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on operating profit/net assets attributable to unit holders					
	Alpha Australian Blue Chip Fund		Alpha Global Opportunities Fund		Alpha Property Securities Fund	
	Price risk		Price risk		Price risk	
	+10%	-10%	+10%	-10%	+10%	-10%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2021	1,617	(1,617)	2,093	(2,093)	1,156	(1,156)
As at 30 June 2020	1,180	(1,180)	2,444	(2,444)	1,651	(1,651)

	Impact on operating profit/net assets attributable to unit holders					
	Alpha Australian Blue Chip Fund		Alpha Global Opportunities Fund		Alpha Property Securities Fund	
	Foreign exchange risk		Foreign exchange risk		Foreign exchange risk	
	+10%	-10%	+10%	-10%	+10%	-10%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2021	7	(7)	1,913	(1,913)	297	(297)
As at 30 June 2020	-	-	433	(433)	-	-

c. Credit risk

The Funds are exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Funds.

The Funds do not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Funds are exposed, arises from cash and cash equivalents and amounts due from brokers balances. None of these assets are impaired nor past their due date. The maximum exposure to credit risk is the carrying of these balances as at the reporting date.

The Funds determine credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2021 and 30 June 2020, all receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of AA/Aa or higher and are either callable on demand or due to be settled within 1 week. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds.

d. Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

d. Liquidity risk (continued)

Exposure to liquidity risk for the Funds may arise from the requirement to meet daily unit holder redemption requests or to fund foreign exchange related cash flow requirements.

In order to manage the Funds' overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unit holders. The Funds did not reject or withhold any redemptions during 2021 and 2020.

i. Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Funds in the current period have maturities of less than 1 month.

4. FAIR VALUE MEASUREMENT

The Funds measure and recognise financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets at fair value through profit or loss (see Note 5)

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

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The Funds value their investments in accordance with the accounting policies set out in Note 2 to the financial statements.

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

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

The quoted market price used for financial assets held by the Funds is the current bid price; the quoted market price for financial liabilities is the current asking price.

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

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

b. Fair value in an inactive or unquoted market (level 2)

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

4. FAIR VALUE MEASUREMENT (CONTINUED)

b. Fair value in an inactive or unquoted market (level 2) (continued)

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds. The Funds may make adjustments to the value based on considerations such as: liquidity of the Investee Funds or their underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

c. Recognised fair value measurements

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

	Alpha Australian Blue Chip Fund				Alpha Global Opportunities Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2021								
Financial assets:								
Equity securities	15,984	-	-	15,984	20,927	-	-	20,927
Unit trusts	184	-	-	184	-	-	-	-
Total financial assets	16,168	-	-	16,168	20,927	-	-	20,927
As at 30 June 2020								
Financial assets:								
Equity securities	7,157	-	-	7,157	-	-	-	-
Unit trusts	-	4,639	-	4,639	-	24,437	-	24,437
Total financial assets	7,157	4,639	-	11,796	-	24,437	-	24,437

	Alpha Property Securities Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2021				
Financial assets:				
Equity securities	2,686	-	-	2,686
Unit trusts	8,877	-	-	8,877
Total financial assets	11,563	-	-	11,563
As at 30 June 2020				
Financial assets:				
Equity securities	350	-	-	350
Unit trusts	13,315	2,841	-	16,156
Total financial assets	13,665	2,841	-	16,506

4. FAIR VALUE MEASUREMENT (CONTINUED)

d. Transfer between levels

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

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

e. Financial instruments not carried at fair value

The carrying values of cash and cash equivalents, receivables and payables approximate their fair values due to their short-term nature.

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

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Alpha Australian Blue Chip Fund		Alpha Global Opportunities Fund		Alpha Property Securities Fund	
	As at		As at		As at	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Equity securities	15,984	7,157	20,927	-	2,686	350
Unit trusts	184	4,639	-	24,437	8,877	16,156
Total financial assets at fair value through profit or loss	16,168	11,796	20,927	24,437	11,563	16,506

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

6. STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangement.

The Funds consider all investments in managed investment schemes (the "Schemes") to be structured entities. The Funds invest in Schemes for the purpose of capital appreciation and/or earning investment income.

The exposure to investments in related party Schemes at fair value, and any related party amounts recognised in the statements of comprehensive income is disclosed at Note 15(i) to the financial statements.

6. STRUCTURED ENTITIES (CONTINUED)

The exposure to investments in unrelated Schemes at fair value are disclosed in the following tables:

	Fair value of investment	
	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Alpha Australian Blue Chip Fund		
Bennelong Concentrated Australian Equities Fund	-	4,639
Total unrelated Schemes	-	4,639

	Fair value of investment	
	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Alpha Global Opportunities Fund		
DSM Global Growth Equity Fund	-	6,581
Guinness Global Innovators Fund	-	4,403
Total unrelated Schemes	-	10,984

	Fair value of investment	
	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Alpha Property Securities Fund		
Quay Global Real Estate Fund	-	2,841
Total unrelated Schemes	-	2,841

The fair value of the Schemes is included in financial assets at fair value through profit or loss in the statements of financial position.

The Funds' maximum exposure to loss from their interest in the Schemes is equal to the fair value of their investments in the Schemes as there are no off-balance sheet exposures relating to any of the Schemes. Once the Funds have disposed of their units in a Scheme, they cease to be exposed to any risk from that Scheme.

During the year ended 30 June 2021 the Funds' total gains/(losses) incurred on investments in the unrelated Schemes and the distribution income earned as a result of their interests in the unrelated Schemes were as follows:

Fund name	Total gains/(losses)		Distribution income	
	Year ended		Year ended	
	30 June 2021 \$	30 June 2020 \$	30 June 2021 \$	30 June 2020 \$
Alpha Australian Blue Chip Fund	1,528,658	631,480	-	206,996
Alpha Global Opportunities Fund	3,868,619	1,983,037	-	-
Alpha Property Securities Fund	151,150	1,329,113	-	84,979

7. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS - EQUITY

The Funds shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions set out in Note 2(c).

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	Alpha Australian Blue Chip Fund Year ended				Alpha Global Opportunities Fund Year ended			
	30 June 2021 Units '000	30 June 2021 Units '000	30 June 2020 Units '000	30 June 2020 Units '000	30 June 2021 Units '000	30 June 2021 Units '000	30 June 2020 Units '000	30 June 2020 Units '000
Opening balance	33,363	24,484	42,319	34,950	39,717	35,115	51,721	45,159
Applications	1,502	1,204	2,998	2,412	1,516	1,457	3,467	3,088
Redemptions	(17,291)	(13,401)	(11,979)	(9,510)	(21,823)	(18,452)	(15,476)	(14,112)
Reinvestment of distributions	13	10	25	21	8	7	5	4
Distributions paid and payable	-	(2,855)	-	(1,143)	-	(6,940)	-	(1,898)
Profit/(loss) for the year	-	4,322	-	(2,246)	-	4,900	-	2,874
Closing balance	17,587	13,764	33,363	24,484	19,418	16,087	39,717	35,115

	Alpha Property Securities Fund Year ended			
	30 June 2021 Units '000	30 June 2021 Units '000	30 June 2020 Units '000	30 June 2020 Units '000
Opening balance	48,640	17,529	62,046	29,530
Applications	3,463	1,360	5,069	2,269
Redemptions	(26,723)	(10,479)	(18,501)	(8,173)
Reinvestment of distributions	39	14	26	12
Distributions paid and payable	-	(620)	-	(2,029)
Profit/(loss) for the year	-	3,562	-	(4,080)
Closing balance	25,419	11,366	48,640	17,529

As stipulated within the Funds' Constitution, each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds.

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

Units are redeemed on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Funds consider their net assets attributable to unit holders as capital. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unit holders.

8. DISTRIBUTIONS TO UNIT HOLDERS

The distributions declared during the year were as follows:

	Alpha Australian Blue Chip Fund				Alpha Global Opportunities Fund			
	Year ended				Year ended			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2021	2020	2020	2021	2021	2020	2020
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions								
October*	190	-	-	-	1,911	23.09	-	-
December	170	0.82	441	1.12	-	-	-	-
June (payable)	2,495	14.19	702	2.11	5,029	25.90	1,898	4.78
Total distributions	2,855	15.01	1,143	3.23	6,940	48.99	1,898	4.78

*The October distributions represent special distributions paid by the Funds due to a unit holder redemption of greater than 5% of the net assets of the Funds. Due to this redemption, as outlined in the Product Disclosure Statements, a portion of the withdrawal proceeds represented distributable income to the redeeming unit holder. Refer to the Funds' Product Disclosure Statements for details on special distributions.

	Alpha Property Securities Fund			
	Year ended			
	30 June	30 June	30 June	30 June
	2021	2021	2020	2020
	\$'000	CPU	\$'000	CPU
Distributions				
September	40	0.10	105	0.17
December	-	-	141	0.25
March	47	0.17	290	0.54
June (payable)	533	2.10	1,493	3.07
Total distributions	620	2.37	2,029	4.03

9. CASH AND CASH EQUIVALENTS

	Alpha Australian Blue Chip Fund		Alpha Global Opportunities Fund		Alpha Property Securities Fund	
	As at		As at		As at	
	30 June	30 June	30 June	30 June	30 June	30 June
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash at bank	110	10,978	277	1,310	123	857
Total cash and cash equivalents	110	10,978	277	1,310	123	857

10. RECONCILIATION OF PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

a. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Alpha Australian Blue Chip Fund Year ended		Alpha Global Opportunities Fund Year ended		Alpha Property Securities Fund Year ended	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Profit/(loss) for the year	4,322	(2,246)	4,900	2,874	3,562	(4,080)
Proceeds from sale of financial instruments at fair value through profit or loss	34,824	26,038	66,183	13,823	14,809	21,107
Payments for purchase of financial instruments at fair value through profit or loss	(32,345)	(6,147)	(47,078)	-	(4,838)	(13,574)
Net (gains)/losses on financial instruments at fair value through profit or loss	(3,944)	2,476	(4,930)	(1,607)	(3,141)	4,685
Effect of foreign currency exchange rate changes on cash and cash equivalents	(2)	-	11	-	(2)	-
Dividend and distribution income reinvested	-	(1,279)	-	(1,609)	-	(102)
Net movement in margin accounts	-	-	-	-	2	-
Net change in receivables	27	1,069	1,526	49	107	20
Net change in payables	59	21	114	26	22	26
Management fee rebate reinvestment	-	(19)	-	(99)	-	(59)
Net cash inflow/(outflow) from operating activities	2,941	19,913	20,726	13,457	10,521	8,023

b. Non-cash operating and financing activities

The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan

10	21	7	4	14	12
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The following purchases of investments were satisfied by the participation in dividend and distribution reinvestment plans

-	1,279	-	1,609	-	102
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Management fee rebate reinvestment

-	19	-	99	-	59
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Total non-cash operating and financing activities

10	1,319	7	1,712	14	173
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11. RECEIVABLES

	Alpha Australian Blue Chip Fund As at		Alpha Global Opportunities Fund As at		Alpha Property Securities Fund As at	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Dividends and distributions receivable	55	18	34	1,512	128	179
GST receivable	10	6	22	10	6	20
Reimbursement receivable from Responsible Entity	-	54	-	53	-	49
Management fee receivable	-	6	-	-	30	15
Other receivables	-	8	-	7	-	8
Total receivables	65	92	56	1,582	164	271

12. PAYABLES

	Alpha Australian Blue Chip Fund		Alpha Global Opportunities Fund		Alpha Property Securities Fund	
	As at		As at		As at	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Management fees payable	38	9	21	25	8	7
Redemptions payable	-	562	-	951	-	572
Custody and administration fees payable	43	3	49	5	44	2
Other payables	3	13	74	-	-	21
Total payables	84	587	144	981	52	602

13. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditors of the Funds:

	Alpha Australian Blue Chip Fund		Alpha Global Opportunities Fund		Alpha Property Securities Fund	
	Year ended		Year ended		Year ended	
	30 June 2021 \$	30 June 2020 \$	30 June 2021 \$	30 June 2020 \$	30 June 2021 \$	30 June 2020 \$
Deloitte Touche Tohmatsu						
<i>Audit and other assurance services</i>						
Audit of financial statements	11,000	11,326	11,000	16,597	11,000	8,609
Audit of compliance plan	-	6,450	-	9,451	-	4,903
Total auditor remuneration and other assurance services	11,000	17,776	11,000	26,048	11,000	13,512
<i>Taxation services</i>						
Taxation services	7,070	8,311	7,070	12,178	7,070	6,318
Total remuneration for taxation services	7,070	8,311	7,070	12,178	7,070	6,318
Total remuneration of Deloitte Touche Tohmatsu	18,070	26,087	18,070	38,226	18,070	19,830
PricewaterhouseCoopers						
<i>Audit and other assurance services</i>						
Audit of compliance plan	2,342	-	2,342	-	2,342	-
Total auditor remuneration and other assurance services	2,342	-	2,342	-	2,342	-
Total remuneration of PricewaterhouseCoopers	2,342	-	2,342	-	2,342	-

The auditors' remuneration is borne by the Funds. Fees are stated exclusive of GST.

14. OTHER EXPENSES

	Alpha Australian Blue Chip Fund Year ended		Alpha Global Opportunities Fund Year ended		Alpha Property Securities Fund Year ended	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Audit fees	19	7	27	7	21	6
Other expenses	38	49	149	18	-	110
Total other expenses	57	56	176	25	21	116

15. RELATED PARTY TRANSACTIONS

The Responsible Entity of Alpha Funds is Equity Trustees Limited (ABN 46 004 021 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to Alpha Fund Managers Pty Ltd to act as Investment Manager for the Funds and Mainstream Fund Services Pty Ltd to act as Custodian and Administrator for the Funds. The contracts are on normal commercial terms and conditions.

a. Key management personnel

i. Directors

Key management personnel includes persons who were directors of Equity Trustees Limited at any time during or since the end of the financial year and up to the date of this report:

Philip D Gentry	Chairman
Harvey H Kalman	(resigned 1 September 2020)
Ian C Westley	(resigned 3 July 2020)
Michael J O'Brien	
Russell W Beasley	(appointed 1 September 2020)

ii. Responsible Entity

Other than fees paid to the Responsible Entity, there were no other transactions.

iii. Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Funds, directly or indirectly during the financial year.

b. Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

15. RELATED PARTY TRANSACTIONS (CONTINUED)

c. Key management personnel unit holdings

Key management personnel did not hold units in the Funds as at 30 June 2021 (30 June 2020: nil).

d. Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Funds to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

e. Key management personnel loans

The Funds have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

f. Other transactions within the Funds

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Funds during the financial year and there were no material contracts involving management personnel's interests existing at year end.

g. Responsible Entity fees, Investment Manager's fees and other transactions

Under the terms of the Funds' Constitutions and Product Disclosure Statements for the Funds, the Responsible Entity and the Investment Manager are entitled to receive management fees.

The Investment Manager is also entitled to a performance fee of 20% of the investment return above the Funds' benchmark.

The transactions during the year and amounts payable as at year end between the Funds, the Responsible Entity and the Investment Manager were as follows:

	Alpha Australian Blue Chip Fund Year ended		Alpha Global Opportunities Fund Year ended		Alpha Property Securities Fund Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$	\$	\$
Management fees for the year	57,024	153,325	58,774	327,075	73,135	148,134
Responsible Entity fees for the year	16,430	19,166	18,027	26,166	9,434	15,872
Reimbursement income from Responsible Entity for the year	-	54,317	-	53,484	-	49,078
Management fees payable at year end	28,670	-	10,966	13,452	3,369	-
Responsible Entity fees payable at year end	9,268	8,555	10,603	12,398	4,628	6,969
Reimbursement receivable from Responsible Entity at year end	-	54,317	-	53,484	-	49,078
Management fees reimbursement receivable at year end	-	5,873	-	-	30,490	15,006

For information on how management fees are calculated please refer to the Funds' Product Disclosure Statement.

15. RELATED PARTY TRANSACTIONS (CONTINUED)

g. Responsible Entity fees, Investment Manager's fees and other transactions (continued)

The management fees borne by the Funds are paid to the Investment Manager, who in turn provides the on-payment of the fees to the respective service providers. Expense recoveries include Responsible Entity fees, Custodian and Administrator fees and other expenses.

h. Related party unit holdings

Parties related to the Funds (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited), held no units in the Funds as at 30 June 2021 (30 June 2020: nil).

i. Investments

The Funds held investments in the following schemes which are also managed by Equity Trustees Limited or their related parties:

	Fair value of investment \$	Interest held %	Distributions receivable \$	Units acquired during the year	Units disposed during the year
Alpha Australian Blue Chip Fund					
As at 30 June 2020					
Allan Gray Australia Equity Fund	-	-	-	-	(2,525,918)
Alpha Global Opportunities Fund					
As at 30 June 2021					
Vontobel Global Equity Fund	-	-	-	340,667	(4,123,410)
T. Rowe Price Global Equity Fund	-	-	-	592,826	(5,041,993)
As at 30 June 2020					
Vontobel Global Equity Fund	6,432,422	27.58	579,270	186,083	(59,563)
India Avenue Equity Fund	-	-	-	7,746	(2,116,383)
Orbis Glob Equity Fund	-	-	-	-	(26,556)
ChinaAMC China Opportunities Fund	-	-	-	24,655	(1,847,890)
T. Rowe Price Global Equity Fund	7,020,785	0.20	932,612	500,632	(515,545)

16. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 30 August 2021, the Responsible Entity and the Investment Manager obtained approval from investors to merge the Alpha Global Opportunities Fund (the Fund) with the Alpha Australian Blue Chip Fund, the Alpha Australian Small Companies Fund, the Alpha Property Securities Fund and the Alpha Infrastructure Fund, effective 9 September 2021. The Fund was renamed the Alpha High Growth Fund and its investment strategy was amended. The merging of these funds took place via in specie transfers based on the last NAV struck on 9 September 2021.

No other significant events have occurred since the end of the year which would impact on the financial position of the Funds as disclosed in the statements of financial position as at 30 June 2021 or on the results and cash flows of the Funds for the year ended on that date.

17. CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

There were no other contingent assets, liabilities or commitments as at 30 June 2021 and 30 June 2020.

DIRECTORS' DECLARATION

In the opinion of the directors of the Responsible Entity:

- a. The financial statements and notes set out on pages 6 to 33 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Funds' financial position as at 30 June 2021 and of their performance for the financial year ended on that date.
- b. There are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; and
- c. Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
29 October 2021

Independent Auditor's Report to the Unit Holders of Alpha Funds

Opinion

We have audited the financial reports of Alpha Australian Blue Chip Fund, Alpha Global Opportunities Fund, and Alpha Property Securities Fund (collectively the "Alpha Funds" or the "Funds") which comprises the statements of financial position as at 30 June 2021, the statements of comprehensive income, the statements of cash flows and the statements of changes in equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

In our opinion, the accompanying financial reports of the Funds are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Funds' financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audits 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 Funds 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 audits of the financial reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity of the Funds (the "Directors"), would be in the same terms if given to Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report for the year ended 30 June 2021, but does not include the financial reports and our auditor's report thereon.

Our opinion on the financial reports does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audits, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Reports

The Directors are responsible for the preparation of the financial reports 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 financial reports that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the Directors are responsible for assessing the ability of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audits of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are 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 these financial reports.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial reports, 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 audits 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 Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reports or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Chester Hii
Partner
Chartered Accountants

Melbourne, 29 October 2021