

# Half Year Report

For the period ended 31 December 2021

Raiz Invest Australia Fund, ARSN 607 533 022

*Invest & Save Confidently*



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## Directors' Report

The Directors of Instreet Investment Limited, (the "Responsible Entity"), the Responsible Entity of Raiz Invest Australia Fund ("the Scheme") present their report together with the financial report of the Scheme, for the period ended 31 December 2021 and the auditors' report thereon.

### Directors

The names of the Directors of Instreet Investment Limited, who were in office at any time during or since the end of the period, are as follows:

Mr Harvey Hillary Kalman	Director (Appointed on 9 November 2021)
Mr George Simon Lucas	Managing Director
Mr Brendan Barry Malone	Director (Appointed on 1 December 2021)
Mr Weiwei (Alex) Gao	Director (Appointed on 1 December 2021)
Mr David Robert Gordon	Director (Resigned on 1 December 2021)
Mr Ian Bruce Rae	Director (Resigned on 1 December 2021)

### Information on current Directors

Director	Special Responsibilities	Experience
Mr Harvey Hillary Kalman	Director	Over 30 years industry experience in financial, tax and business advisory. Harvey has extensive experience in risk management, funds management, service provisioning portfolio construction and managing investment schemes.
Mr George Simon Lucas	Managing Director	Over 30 years industry experience in investment banking and funds management industries specialising in developing, managing and structuring financial products.
Mr Brendan Barry Malone	Director	Over 20 years industry experience in financial, tax and business advisory. Brendan has extensive experience in investment banking, compliance, driving innovative strategies and working across various regulatory environments.
Mr Weiwei (Alex) Gao	Director	Over 15 years' experience in the funds management industry and is currently the CFO of Raiz Invest Limited an ASX listed company. Alex has experience in strategy, accounting, and operations. As CFO, Alex oversees the financial planning, audit and management reporting and trading functions at Raiz.



## Directors' Report (continued)

Mr Ian Bruce Rae	Director (Resigned on 1 December 2021)	Over 30 years of professional and director level experience in financial, tax and business advisory. Ian has extensive experience in portfolio construction, managed investment schemes, and ensuring structured and other financial products are relevant for individual portfolios.
Mr David Robert Gordon	Director (Resigned on 1 December 2021)	Over 30 years of professional and director level experience in financial, tax and business advisory. David has extensive experience in financial services advice, portfolio construction and managed investment schemes.

The offices of the Responsible Entity are located at Level 11, 2 Bulletin Place, Sydney, NSW 2000.

### Principal Activities

Raiz Invest Limited (Raiz) owns 100% of Instreet Investment Limited (Instreet) and 100% of Raiz Invest Australia Limited and was listed on the Australian Securities Exchange (ASX) on 22 June 2018. Raiz Invest Australia Limited provides the promotor and administration services to manage the investments of the Scheme. Instreet is the Responsible Entity and holder of the Australian Financial Services License of the Raiz group of companies (Group).

Each member of the Scheme retains a beneficial interest in, and absolute entitlement to, the assets of their portfolio. As the assets of each portfolio are separately maintained and identified, it follows that investors have no interest in the assets as a whole. Great care should therefore be taken in the interpretation of the financial report enclosed herewith, which consolidates the individual holdings, essentially to meet the requirements of the Corporations Act 2001. There has been no change in the principal activity for this period.

### Scheme Information

Raiz Invest Australia Fund was established by execution of a Constitution and registration with the Australian Securities and Investments Commission on 20 August 2015, and these financial statements show the 31 December comparatives.

Raiz promotes the Scheme via a micro investing product that offers an easy way to regularly invest either small or large amounts of money using the App on your mobile phone or the Website. The minimum investment amount is \$5.00. Investments are held beneficially for account holders (subject to any fractional interests, which are pooled). On application, we establish one interest (one Raiz Investment Account) for each investor.

Money in a Raiz Investment Account is invested into a mix of ETFs quoted on the ASX and Bitcoin in accordance with one of eight different Portfolios selected by the investor (Selected Portfolio). Investors choose the Portfolio best suited to their own goals and financial circumstances. Raiz promotes and interacts with investors using a software application developed by Raiz Invest Australia. The value of an investors Raiz Investment Account will vary as the market value of the ETFs and Bitcoin comprising the Portfolio in which the investor has invested rises and falls.



## Directors' Report (continued)

### Scheme Assets

As at 31 December 2021, Raiz Invest Australia Fund held assets to a total value of \$977,367,928 (\$811,815,120 as at 30 June 2021). The basis for valuation of the assets is outlined in Note 2 to the Financial Statements.

### Impact of COVID-19 on Financial Results

The COVID-19 pandemic initially had a significant impact on member growth and funds under management growth in March 2020 however member growth and fund under management had quickly recovered and broke four consecutive quarterly records in 2021 financial year. More information on the financial impact arising from the COVID-19 pandemic on the financial result of the Group are discussed in the Group's financial statements.

### Significant Changes in the State of Affairs

There were no changes to the investment strategy or to any fees or conditions for existing mandates.

### Matters Subsequent to the End of the Financial Report

No other events have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of the Raiz Invest Australia Fund, the results of those operations, or the state of affairs of the Raiz Invest Australia Fund in subsequent financial years.

### Likely Developments and Expected Results of Operations

There are no developments that are likely to significantly affect the operation of the Scheme.

### Environmental Regulation and Performance

The operations of the Scheme are not subject to any particular or significant environmental regulation under a law of the Commonwealth or a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Scheme.

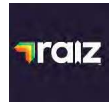
### Indemnification and Insurance of Directors, Officers and Auditors

The Responsible Entity has indemnified directors and officers of the company, including members of the Compliance Committee, for a period up to seven years after they cease to be an officer, for any actions that may arise as a result of acting in their capacity as directors and officers of the company in respect of: -

- a) Liability to third parties when acting in good faith; and
- b) Costs and expenses of defending legal proceedings and ancillary matters.

During the financial period, the Responsible Entity paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. No insurance premiums are paid out of the Scheme's assets in relation to insurance cover for the Responsible Entity, its officers and employees and the compliance committee.

The Scheme has not indemnified the auditor of the Scheme.



## Directors' Report (continued)

### Independence

A copy of the Auditor's Independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 7.

### Proceedings on behalf of the Scheme

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Scheme, or to intervene in any proceedings to which the Scheme is a party for the purpose of taking responsibility on behalf of the Scheme for all or part of those proceedings.

Signed in accordance with a resolution of the directors of Instreet Investment Limited.

A handwritten signature in black ink, appearing to read "G. Lucas", is written above a horizontal line.

George Simon Lucas

Director

Sydney

24 February 2022

**DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF INSTREET INVESTMENT LIMITED**

As lead auditor for the review of Raiz Invest Australia Fund for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



**Tim Aman**  
Director

**BDO Audit Pty Ltd**

Sydney, 24 February 2022



## Statement of Profit or Loss and Other Comprehensive Income

For the period ended 31 December 2021

	Note	6 months to 31st Dec 2021 \$	6 months to 31st Dec 2020 \$
<b>Investment income</b>			
Net realised and unrealised gain on financial assets held at fair value through profit or loss – held for trading		3,846,379	45,677,869
Net gain on inventory held at fair value through profit or loss		2,475,384	2,310,966
Dividend and distribution income		11,652,344	8,792,652
<b>Total investment income</b>		<b>17,974,107</b>	<b>56,781,487</b>
<b>Expenses</b>			
Charity donations		21,777	-
Fees paid to Raiz Invest Australia Limited		1,272,900	961,091
<b>Total operating expenses</b>		<b>1,294,677</b>	<b>961,091</b>
<b>Operating profit attributable to members</b>		<b>16,679,430</b>	<b>55,820,396</b>
<b>Increase in net assets attributable to members</b>		<b>16,679,430</b>	<b>55,820,396</b>
<b>Profit for the period</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income attributable to members</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for period</b>		<b>-</b>	<b>-</b>

This statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.



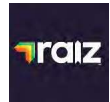


## Statement of Financial Position

As at 31 December 2021

	Note	31 <sup>st</sup> Dec 2021 \$	30 <sup>th</sup> June 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		8,982,456	7,797,476
Receivables		5,916,409	4,634,451
Inventory held at fair value through profit or loss - Bitcoin	5	9,458,872	5,964,040
Financial assets held at fair value through profit or loss	4	953,010,191	793,419,153
<b>Total current assets</b>		<b>977,367,928</b>	<b>811,815,120</b>
<b>Total assets</b>		<b>977,367,928</b>	<b>811,815,120</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables		226,692	184,536
<b>Total current liabilities</b>		<b>226,692</b>	<b>184,536</b>
<b>Total liabilities excluding net assets attributable to members</b>		<b>226,692</b>	<b>184,536</b>
<b>Net assets attributable to members</b>		<b>977,141,236</b>	<b>811,630,584</b>

This statement of financial position should be read in conjunction with the accompanying notes to the financial statements.



## Statement of Changes in Equity

For the period ended 31 December 2021

In accordance with AASB 132 'Financial Instruments: Presentation' 'net assets attributable to members' is classified as a liability rather than equity and hence no statement of changes in equity is presented.

Changes in net assets attributable to members are disclosed in Note 6.

This statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.



## Statement of Cash Flows

For the period ended 31 December 2021

Note	6 months to 31st Dec 2021 \$	6 months to 31st Dec 2020 \$
<b>Cash flows from operating activities</b>		
Dividends and distributions received	10,370,386	14,651,011
Fees paid	(1,252,521)	(921,155)
<b>Net cash provided by operating activities</b>	<b>9,117,865</b>	<b>13,729,856</b>
<b>Cash flows from investing activities</b>		
Financial assets acquired	(185,045,968)	(118,951,470)
Inventory acquired - Bitcoin	(1,942,366)	(1,271,502)
Proceeds from sale of Investments	30,224,228	16,445,196
<b>Net cash used in investing activities</b>	<b>(156,764,106)</b>	<b>(103,777,776)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from applications by members	148,831,221	89,503,761
<b>Net cash provided by financing activities</b>	<b>148,831,221</b>	<b>89,503,761</b>
Net increase in cash and cash equivalents held	1,184,980	(544,159)
Cash and cash equivalents at beginning of period	7,797,476	4,093,272
<b>Cash and cash equivalent at end of period</b>	<b>8,982,456</b>	<b>3,549,113</b>

This statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.



# Notes to the Financial Statements

For the period ended 31 December 2021

## 1. Corporate Information

The financial report of Raiz Invest Australia Fund for the period ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 24 February 2022. The financial report is presented in the Australian currency. The Directors have the power to amend and reissue the financial report. Raiz Invest Australia Fund is an Australian Registered Scheme (ARSN 607 533 022) under the Corporations Act 2001, registered on 20 August 2015. The Scheme is a for profit entity. Instreet Investment Limited, Responsible Entity of the Scheme is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Level 11, 2 Bulletin Place, Sydney NSW 2000.

## 2. Summary of Significant Accounting Policies

The Scheme is non-unitised and operates as a number of separate individual bare trusts.

### (a) Basis of Preparation

This general purpose financial report has been prepared in accordance with AASB 134 Interim Financial Reporting, the Corporations Act 2001 and the Constitution.

Except where stated the financial report has been prepared on the basis of historical costs and does not take into account changing money values or current valuations of assets.

In accordance with the Corporations Act requirements, the investments, liabilities, income and expenses of the bare trusts have been aggregated for the purpose of producing this financial report.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021.

### (b) Statement of Compliance

The financial report complies with Australian Accounting Standards and with International Financial Reporting Standards ("IFRS") and interpretations, as issued by the International Accounting Standards Board (IASB).

#### Use of estimates and judgements

The preparation of the financial statement in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, revisions in accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Note 8 (a) Fair Values Estimation of financial instruments contains information about the estimation of the values of financial instruments.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**3. Segment Information**

The Scheme operates in one industry segment and one geographical segment being the provision of funds management services in Australia.

**4. Financial Assets Held at Fair Value through Profit or Loss  
Equities – Held for Trading**

	31 <sup>st</sup> Dec 2021	30 <sup>th</sup> June 2021
Quoted on the Australian Securities Exchange	953,010,191	793,419,153
	<u>953,010,191</u>	<u>793,419,153</u>

**5. Inventory Held at Fair Value through Profit or Loss**

**Bitcoin**

Bitcoin quoted on the Gemini Exchange	9,458,872	5,964,040
	<u>9,458,872</u>	<u>5,964,040</u>

**6. Net Assets Attributable to Members**

	31 <sup>st</sup> Dec 2021	30 <sup>th</sup> June 2021
Opening balance	811,630,584	464,066,568
Applications - ETF's	185,045,968	275,060,010
Applications - Bitcoin	1,942,366	4,647,132
Redemptions - ETF's	(29,301,310)	(39,130,036)
Redemptions - Bitcoin	(922,918)	(2,377,643)
Increase in net assets attributable to Members	8,746,546	109,364,553
	<u>977,141,236</u>	<u>811,630,584</u>
Closing balance		

**7. Related Party Information  
Responsible Entity**

Instreet Investment Limited has been the Responsible Entity of the Scheme since 20 August 2015.

	31 <sup>st</sup> Dec 2021	31 <sup>st</sup> Dec 2020
Responsible Entity's remuneration	\$	\$
Responsible Entity fees	-	-
<b>Related Party</b>		
Fees paid to Raiz Invest Australia Limited	1,272,900	961,091



## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

### 8. Fair value measurement

#### a) Fair Values Estimation

The carrying amounts of all the Scheme's financial assets and financial liabilities at the balance date approximated their fair values as all financial assets and liabilities not fair valued are short-term in nature.

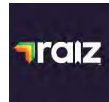
The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the balance date.

#### b) Fair Values Hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows: The scheme measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The category includes instruments valued using quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant observable inputs. The category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments are required to reflect differences between the instruments.

All balance sheet items are held at fair value and are measured at Level 1 (quoted price) in the fair value measurement hierarchy.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**9. Events Occurring after the Reporting Period**

No other significant events have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of Raiz Invest Australia Fund, the results of those operations, or the state of affairs of Raiz Invest Australia Fund in subsequent financial years.

**10. Contingent assets and liabilities and commitments**

There are no outstanding assets, liabilities or commitments as at 31 December 2021 (\$Nil: 30 June 2021).



## Directors' Declaration

For the period ended 31 December 2021

The directors of Instreet Investment Limited, the Responsible Entity of Raiz Invest Australia Fund declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, and accompanying notes are in accordance with the Corporations Act 2001 and:
  - a. Comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - b. Give a true and fair view of the Scheme's financial position as at 31 December 2021 and of its performance for the period ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of Instreet Investment Limited and is signed for and on behalf of the directors by:

A handwritten signature in black ink, appearing to read "G. Lucas", is written over a horizontal line.

George Simon Lucas

Director

Sydney

24 February 2022



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Raiz Invest Australia Fund

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Raiz Invest Australia Fund (the Scheme), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Scheme does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Scheme's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) 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*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Scheme 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 the audit of the annual financial report 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 Scheme, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

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



### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Scheme's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

**BDO Audit Pty Ltd**

BDO

A handwritten signature in black ink, appearing to read 'Tim Aman'.

**Tim Aman**  
**Director**

Sydney, 24 February 2022

