

MERCHANT OPPORTUNITIES FUND

ARSN 111 456 387

INTERIM FINANCIAL REPORT
For the six months ended 31 December 2019

Merchant Opportunities Fund
ARSN 111 456 387
For the six months ended 31 December 2019

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Merchant Opportunities Fund
ARSN 111 456 387
Corporate Directory

Responsible Entity

CIP Licensing Limited

Directors of the Responsible Entity

David McKay French
Owen Evans
Lance Livermore
Christopher Heyworth
Nigel Allfrey

- Executive Chairman
- Non-Executive Director
- Non-Executive Director
- Non-Executive Director
- Non-Executive Director (resigned 22/11/19)

Secretary

Richard Symons

Registered Office

CIP Licensing Limited
Suite 1B 103 Bolsover Street,
ROCKHAMPTON QLD 4700

Auditors of the Fund

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

Merchant Opportunities Fund
ARSN 111 456 387
Directors' Report
For the six months ended 31 December 2019

The Directors of CIP Licensing Limited (ABN 63 603 558 658), the Responsible Entity of Merchant Opportunities Fund (“the Fund”), submit their report for the Fund for the six months ended 31 December 2019, and the auditor’s report thereon.

Directors

The names of the directors of the Responsible Entity in office during the period and until the date of this report are:

David McKay French – B.Econs, Dip.Corp Management, Executive Director (appointed 6 January 2015)

David French is the Managing Director. David was responsible for building Capricorn Investment Partners Limited (CIPL) from scratch. CIP Licensing Limited is a special purpose AFS licencing vehicle which was created as part of a restructure of CIPL. The business now looks after about \$700 million in investments including those held in two managed investment schemes. David has more than 20 years’ experience in finance and economics, most of which have been in investment markets.

Owen Evans - BA (Hons), MSc(Econ), Non Executive Director (appointed 6 January 2015)

Owen Evans is a non-executive Director. Mr Evans is an experienced investment professional with almost 30 years’ experience in research, valuation and funds management. He has been rated number one analyst for building materials, construction and emerging companies while at UBS Australia and judged Money Management Fund Manager of the Year in 2005 and 2006 as Chief Investment officer at MIR Australia. Between 1997 and 2010, Mr Evans was sole analyst on the IPO’s of Bristle, AWB, Transfield Services, Worley Parsons and NRW. He is currently principal of Yaz Investment Pty Ltd, and provides consulting services for mid-sized Australian Companies such as Adelaide Brighton, Brickworks Ltd, Calibre Global and Dulux. He also provides investment consulting advice for global fund managers. Mr Evans is currently non-Executive President of the Manly Warringah Basketball Association.

Lance Livermore – Non Executive Director (appointed 22 April 2015)

Lance Livermore has more than 30 years experience in both stockbroking and financial planning. He attained his original qualifications in Albury prior to establishing himself in a financial controller role with Potter Warburg in Melbourne. Lance was a founding partner of Bailey Livermore Financial Services, a predecessor of Pentad and CIPL (Holding) Limited.

Merchant Opportunities Fund
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Directors' Report (continued)
For the six months ended 31 December 2019

DIRECTORS (continued)

Christopher Heyworth – Non-Executive Director (appointed 22 April 2015)

Christopher Heyworth is a member of the Institute of Chartered Accountants in England and Wales and until his recent retirement was a Certified Financial Planner. He holds more than 30 years experience providing personal financial planning and investment advice. Chris has a particular interest in helping with family wealth management, including estate planning.

Nigel Allfrey – Non-Executive Director (appointed 30 September 2016 - resigned 22 November 2019)

Nigel has several decades of business experience in the Australian and International Finance industry. He was Co-founder and CEO of Impact Investing Pty Ltd, a Sydney based Funds Management Financial Services Technology company that achieved global success and recognition. Prior to that he held senior portfolio management positions with leading fund management firms BlackRock and Bankers Trust. Today Nigel is Principal of the Caana Group, a private wealth management firm.

David French, Owen Evans, Lance Livermore, and Christopher Heyworth have been in office from the beginning of the period until the date of this report. Nigel Allfrey resigned on 22 November 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Fund during the six months was to invest funds in accordance with the provisions of the Fund's Constitution.

The Fund is a diversified investment fund, investing in listed and unlisted Australian shares.

There has been no significant change in the nature of this activity during the six months.

SCHEME INFORMATION

Merchant Opportunities Fund is an Australian registered scheme and was constituted on 18 October 2004. CIP Licensing Limited was appointed as the Responsible Entity of the Fund on 4 May 2015. Previously the responsible entity was Capricorn Investment Partners Limited. CIP Licensing Limited is incorporated and domiciled in Australia. Merchant Funds Management Pty Ltd, the investment manager of the Fund, is responsible for the day to day management of the Fund.

The registered office of the Responsible Entity is located at Suite 1B 103 Bolsover St, Rockhampton QLD 4700. The Custodian is the Trust Company (Australia) Limited. The registered office of the Custodian is located at 35 Clarence Street, Sydney NSW 2000.

Merchant Opportunities Fund
ARSN 111 456 387
Directors' Report (continued)
For the six months ended 31 December 2019

REVIEW OF RESULTS AND OPERATIONS

Results

The net operating income of Merchant Opportunities Fund is presented in the Statement of Comprehensive Income. Net operating profit for the six months ended 31 December 2019 was \$6,870,429 (31 December 2018 operating loss: \$4,667,441).

Distributions

No distribution will be paid for the six months ended 31 December 2019. No distributions were paid for the six months ended 31 December 2018.

SCHEME ASSETS

At 31 December 2019 Merchant Opportunities Fund held net assets of \$71,031,279 (30 June 2019: \$63,349,600).

AUDITOR'S INDEPENDENCE DECLARATION

HLB Mann Judd, our auditors, have provided a written independence declaration to the Directors of the Responsible Entity in relation to their review of the Interim Financial Report for the six months ended 31 December 2019. This independence declaration, which forms part of the Directors' Report, can be found at page 7.

This report is made in accordance with a resolution of the directors.



David French
Executive Director

Rockhampton
1 April 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the unitholders of Merchant Opportunities Fund

Report on the Condensed Half-Year Financial Report

Conclusion

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

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Merchant Opportunities Fund is not in accordance with the *Corporations Act 2001* including:

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

Directors' responsibility for the interim financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2019 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*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
1 April 2020



B G McVeigh
Partner

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Merchant Opportunities Fund for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

**Perth, Western Australia
1 April 2020**



**B G McVeigh
Partner**

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Merchant Opportunities Fund
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Directors' Declaration
For the six months ended 31 December 2019

In accordance with a resolution of the Directors of CIP Licensing Limited, the Responsible Entity of Merchant Opportunities Fund, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes set out on pages 9 to 21 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Fund's financial position as at 31 December 2019 and of its performance for the six months ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

On behalf of the Board
CIP Licensing Limited



David French
Executive Director

Rockhampton
1 April 2020

Merchant Opportunities Fund
ARSN 111 456 387
Condensed Interim Statement of Comprehensive Income
For the six months ended 31 December 2019

	Notes	31 Dec 2019 \$	31 Dec 2018 \$
Revenue			
Interest income		5,042	6,623
Net gain/(loss) on financial investments through profit or loss		8,663,837	(4,066,859)
		<u>8,668,879</u>	<u>(4,060,236)</u>
Expenses			
Responsible Entity and Fund Manager fees		(491,896)	(407,836)
Auditors' remuneration		(30,498)	(30,500)
Custodian and administration fees		(22,073)	(22,073)
Performance fees		(1,138,589)	-
Other expenses		(115,394)	(146,796)
		<u>(1,798,450)</u>	<u>(607,205)</u>
Profit/(Loss) from Operating Activities		6,870,429	(4,667,441)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) For The Period	2(b)	<u>6,870,429</u>	<u>(4,667,441)</u>

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

Merchant Opportunities Fund
ARSN 111 456 387
Condensed Interim Statement of Financial Position
As at 31 December 2019

	Notes	31 Dec 2019 \$	30 June 2019 \$
Assets			
Cash and cash equivalents		385,804	318,961
Prepayments, loans and receivables:			
Prepayments, dividends and other receivables		31,755	37,396
Financial assets held at fair value through profit or loss:			
Equity investments and units in listed and unlisted schemes		70,146,764	63,331,972
Debentures and convertible notes		1,776,798	1,406,250
Total Assets		72,341,121	65,094,579
Liabilities			
Financial liabilities measured at amortised cost:			
Accrued expenses		1,184,435	1,628,564
Accounts payable		21,307	36,193
Responsible entity and fund manager fees payable		104,100	80,222
Total Liabilities (excluding net assets attributable to Unitholders)		1,309,842	1,744,979
Net Assets Attributable To Unitholders - Liability	2(b)	71,031,279	63,349,600

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

Merchant Opportunities Fund
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Condensed Interim Statement of Cash Flows
For the six months ended 31 December 2019

	31 Dec 2019	31 Dec 2018
	\$	\$
Cash flows from operating activities		
Proceeds from sale of investments	18,885,596	10,605,742
Purchase of investments	(14,914,051)	(11,123,619)
Interest received	3,244	6,622
Payments to suppliers	(165,364)	(253,081)
Payments to responsible entity and fund manager	(2,062,582)	(3,412,766)
Net cash flows from/(used in) operating activities	<u>1,746,843</u>	<u>(4,177,102)</u>
Cash flows from financing activities		
Unit capital application	320,000	280,000
Unit capital redemption	(2,000,000)	(1,000,000)
Net cash flows used in financing activities	<u>(1,680,000)</u>	<u>(720,000)</u>
Net increase/(decrease) in cash and cash equivalents	66,843	(4,897,102)
Cash and cash equivalents at 1 July	318,961	5,056,012
Cash and cash equivalents at 31 December 2019	<u>385,804</u>	<u>158,910</u>

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

Merchant Opportunities Fund
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Condensed Interim Statement of Changes in Equity
For the six months ended 31 December 2019

The Fund's net assets attributable to unitholders are classified as a liability under AASB 132 'Financial Instruments Presentation'. As such the Fund has no equity, and no items of changes in equity have been presented for the current or comparative six months.

Merchant Opportunities Fund
ARSN 111 456 387
Notes to the condensed interim financial statements
For the six months ended 31 December 2019

Note 1 Basis of Preparation of the Condensed Interim Financial Report

(a) Reporting Entity

Merchant Opportunities Fund (the Fund) is an Australian Registered Scheme, and was constituted on 18 October 2004 under the Corporations Act 2001. The Fund is a for profit entity. CIP Licensing Limited was appointed as the Responsible Entity of the Fund on 4 May 2015. CIP Licensing Limited is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Suite 1B, 103 Bolsover St, Rockhampton QLD 4700.

Merchant Funds Management Pty Ltd is the investment manager of the Fund and is responsible for the day to day management of the Fund.

The condensed interim financial report of the Fund is for the six months ended 31 December 2019.

(b) Statement of Compliance

The condensed interim financial report is a general purpose financial report, which has been prepared in accordance with applicable accounting standards including AASB 134 'Interim Financial Reporting' and the requirements of the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The condensed interim financial report does not include all the information required for the full annual financial report and should be read in conjunction with the annual financial report of the Fund for the year ended 30 June 2019.

The condensed interim financial report was authorised for issue by the directors of the Responsible Entity on the 1 April 2020.

(c) Basis of Preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial assets.

The accounting policies and methods of computation applied by the Fund in this interim financial report are the same as those applied by the Fund for the year ended 30 June 2019, unless otherwise stated. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

For the purpose of preparing the interim financial statements, the six month period has been treated as a discrete reporting period. All amounts are presented in Australian dollars.

Merchant Opportunities Fund

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Notes to the condensed interim financial statements (continued)

For the six months ended 31 December 2019

Note 1 Basis of Preparation of the Condensed Interim Financial Report (continued)

(d) New Standards and Interpretations applicable for the half year ended 31 December 2019

In the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Fund and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Fund and, therefore, no material change is necessary to Fund accounting policies.

(e) Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Fund and, therefore, no change is necessary to Fund accounting policies.

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Notes to the condensed interim financial statements (continued)
For the six months ended 31 December 2019

Note 2 Net assets attributable to unitholders	Six months to 31 December 2019	Year to 30 June 2019
(a) Units on issue	Number	Number
Units on issue as at beginning of reporting period	30,833,819	31,095,561
Units issued during reporting period	1,238,385	1,304,204
Units redeemed or otherwise cancelled during reporting period	(906,723)	(1,565,946)
Units on issue as at the end of the reporting period	<u>31,165,481</u>	<u>30,833,819</u>
	Six months to 31 December 2019	Year to 30 June 2019
(b) Movement in net assets attributable to unitholders	\$	\$
Net assets attributable to unitholders at beginning of reporting period	63,349,600	58,301,579
Total comprehensive income/(loss) for the period	6,870,429	5,596,621
Adjustment to opening balance of Net Assets	-	-
Units issued during the reporting period	2,811,250	2,451,400
Units redeemed or cancelled during the reporting period	(2,000,000)	(3,000,000)
Net assets attributable to unitholders at the end of reporting period	<u>71,031,279</u>	<u>63,349,600</u>

Note 3 Distributions

There were no distributions for the half year.

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Notes to the condensed interim financial statements (continued)
For the six months ended 31 December 2019

Note 4 Related parties

The Responsible Entity, CIP Licensing Limited, and the Fund Manager, Merchant Funds Management Pty Ltd, received all management and performance fees that have been deducted from the Fund during the period.

Total management and performance fees paid to the Responsible Entity and Fund Manager during the six months ended 31 December 2019 were \$2,062,582 (GST inclusive) (31 December 2018: \$436,301). There were payables of \$104,100 as at 31 December 2019 (30 June 2019: \$80,222).

The accrued performance fees as at 31 December 2019 was \$1,138,589 (30 June 2019: \$1,594,564).

Note 5 Contingencies

There are no contingent liabilities or contingent assets as at 31 December 2019 (30 June 2019: Nil)

Note 6 Subsequent Events

On 4 February 2020 the Fund announced a redemption facility of \$500,000 for the three months ended 29 February 2020, to be completed in March 2020.

The Directors of CIP Licensing Limited and the Responsible Entity of Merchant Opportunities Fund acknowledge the COVID-19 outbreak subsequent to the half year end. International stock markets and the ASX have been impacted significantly from their highs in late February 2020 and markets since then have also been highly volatile. The scale and duration of these developments and volatility in markets remain uncertain, but ultimately may have an impact on the carrying values of the Fund's assets. Given the daily volatility and that some assets aren't listed, management cannot at this point reliably estimate the exact impact on the Fund.

Note 7 Financial Instruments

Carrying amount versus fair values

The fair values of financial assets and financial liabilities approximate their carrying amounts in the condensed statement of financial position.

Financial risk management

During the six months ended 31 December 2019 the Fund's financial risk management objectives and policies are consistent with those disclosed in the Fund's annual financial report.

Merchant Opportunities Fund

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Notes to the condensed interim financial statements (continued)**For the six months ended 31 December 2019****Note 7 Financial Instruments (continued)***Fair Value Hierarchy*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those instruments valued based on techniques using significant unobservable inputs. This 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 or assumptions are required to reflect differences between the instruments.

31 December 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets classified as fair value through profit and loss	\$38,146,319	\$13,152	\$33,764,091	\$71,923,562

30 June 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets classified as fair value through profit and loss	33,756,853	24,754	30,956,615	64,738,222

During the six months ended 31 December 2019, there were transfers between level 1 and level 3 of the fair value hierarchy.

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Notes to the condensed interim financial statements (continued)
For the six months ended 31 December 2019

Note 7 Financial Instruments (continued)

Level 3 fair values

Reconciliation of level 3 fair value measurements of financial assets for the six months ended 31 December 2019.

	Fair value through profit or loss	Fair value through profit or loss
	31 December 2019	30 June 2019
	\$	\$
Opening	30,956,615	20,896,996
Total gains or losses in profit or loss	(1,732,889)	4,768,230
Purchases	5,213,240	6,441,573
Sales	299,000	(3,378,434)
Transfers into Level 3	-	2,978,250
Transfers out of Level 3	(971,875)	(750,000)
Closing	33,764,091	30,956,615
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period:	(1,103,085)	5,371,918

The measurement of fair value for the Level 3 instruments excluding convertible notes has been made based on the following:

	Industry Sector	Basis of valuation	Date of transaction	Fair value as at 31 December 2019 \$	Fair value as at 30 June 2019 \$
ABIG Pty Ltd**	Information Technology	Net asset backing	June 2019	N/A **	-
Affinity Business Insurance Pty Ltd**	Information Technology	Net asset backing	June 2019	N/A **	-
Alerte Digital Health Pty Ltd*	Healthcare	Price of most recent investment (third-party transaction)	May 2019	1,541,119	1,779,783
Australian Cannabis Ventures Limited*	Healthcare	Price of MOF's entry price	November 2019	\$100,000	-

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Notes to the Financial Statements (continued)
For the year ended 30 June 2019

Note 7 Financial instruments and associated risk (continued)

	Industry Sector	Basis of valuation	Date of transaction	Fair value as at 31 December 2019 \$	Fair value as at 30 June 2019 \$
BCAL Pty Ltd*	Healthcare	Price of most recent capital raising	July 2019	1,000,001	1,000,001
China Retail Technology*	Information Technology	Price of MOF's entry price	February 2018	150,000	150,000
Clinicann Limited**	Healthcare	Price of MOF's entry price	May 2019	N/A **	449,130
Condor Energy Services Ltd (prev startup)	Energy	Written down to \$Nil – Directors Valuation	March 2014	-	-
Ecocentric Group Limited*	Information Technology	Price of MOF's entry price	July 2019	1,000,000	-
Eurocann Corporation Limited (Formerly 1-Page Ltd)+++	Healthcare	Price of most recent investment (third-party transaction)	April 2019	8,108,605	8,058,605
Fibonacci Global Payments Pte Ltd*	Information Technology	Price of Last Capital Raising (FOREX adjusted)	April 2017	857,403	858,159
Family Insights Group Ltd (Deferred consideration shares)	Information Technology	Earnings Probability model	December 2019	640,892	797,878
Graft Polymer Limited*	Materials	Price of most recent capital raising	February 2019	225,000	225,000
Geo40 Limited	Industrials	Price of Last Capital Raising	December 2019	265,241	250,800
Health House Holdings Limited*	Information Technology	Price of MOF's entry price	November 2019	297,000	-
Infitecs Pty Ltd*	Information Technology	Earnings multiplier model	June 2019	100,500	100,693

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Notes to the Financial Statements (continued)
For the year ended 30 June 2019

Note 7 Financial instruments and associated risk (continued)

	Industry Sector	Basis of valuation	Date of transaction	Fair value as at 31 December 2019 \$	Fair value as at 30 June 2019 \$
Kontrarian Resource Fund No 1 (prev start-up)	Materials	Independent valuation	December 2019	9,401,400	7,001,400
Local Agent Finder Limited	Information Technology	Peer Comparison	July 2018	700,000	700,000
Lednium Limited	Consumer Discretionary	Written down to \$Nil – Directors Valuation	-	-	-
Levin Growing Pty Ltd*	Healthcare	Price of MOF's entry price	November 2019	400,057	-
Lumi Financial Holdings Limited*	Financials	Price of most recent capital raising	May 2019	900,000	900,000
LoneStar Energy Limited (formerly Sugar Dragon Limited) ##	Materials	Price of most recent capital raising	June 2017	N/A ##	215,625
Marketech Limited*	Information Technology	Price of MOF's entry price	October 2019	250,000	-
Miner Group Pty Ltd	Information Technology	Price of last transaction	May 2018	1,052,401	1,052,401
Mobile Tyre Shop Holdings Pty Ltd	Industrials	Price of most recent capital raising	May 2019	857,845	857,845
Nicevend Pte Ltd*	Information Technology	Price of Last Capital Raising (FOREX adjusted)	March 2019	81,274	81,345
Pro9 Global Pty Ltd	Industrials	Price of most recent investment (third party transaction)	June 2019	851,789	403,579
Snapsil Innovations Limited	Industrials	Price of most recent investment (third party transaction)	June 2019	400,000	400,000

Merchant Opportunities Fund

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Notes to the condensed interim financial statements (continued)

For the six months ended 31 December 2019

Note 7 Financial Instruments (continued)

Sapien Cyber Ltd (Formerly SC8 Technologies Pty Ltd)*	Information Technology	Price of most recent investment (third party transaction)	January 2019	1,125,000	1,125,000
Terragen Holdings Limited (listed 11 Dec 2019)^	Materials	Price of most recent capital raising	November 2018	N/A ^^	625,000
Valiant Resources Ltd (prev start-up)	Energy	Price of most recent capital raising	November 2018	866,670	866,670
Village National Limited	Property	Net asset backing	December 2018	494,668	494,668
Wave Park Development Pty Ltd*	Energy	Last transaction price	November 2018	320,428	1,156,783
Total				31,987,293	29,550,365

* The investments in seed and start-up venture capital investments represent 24% of the Fund's net assets. The fair value of these investments is determined with reference to the most recent transaction price which is typically the capital raising price or the most recent third party sale price. Subsequent to the latest transaction, the Responsible Entity has re-assessed the business activities of these entities to determine whether any significant changes in the circumstances or events would imply a change in the investment's fair value as at balance date.

** The investments in Affinity Business Insurance Pty Ltd, ABIG Pty Ltd and Clinicann Limited were sold during the half year ended 31 December 2019.

^^ The investment in Terragen Holdings Limited were listed during the 2019 financial year.

The investment in LoneStar Energy Limited was acquired by listed company Nickelore Limited (previous ASX code NIO), which subsequently changed its name to Stonehorse Energy Limited (ASX code SHE).

++ The investment in Eurocann Corporation Limited (Formerly I-Page Ltd) was delisted during the 2019 financial year.

The directors of CIP Licensing Limited have determined that the most recent transaction price paid represents the best estimate of fair value as at 31 December 2019.