

HHY Fund

ARSN 112 579 129

Interim Financial Report

For the half-year ended 31 December 2018

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Director's Report

The Directors of Aurora Funds Management Limited (AFML) (ABN 69 092 626 885), (the "Responsible Entity") of HHY Fund ("the Trust"), present their interim report together with the condensed consolidated financial statements of HHY Fund, consisting of the Trust and the entities it controlled at the end of, or during the half-year ended 31 December 2018, and the auditor's report thereon.

The condensed consolidated financial report has been prepared for the Trust as it is a disclosing entity under the *Corporations Act 2001*.

Principal activities

The principal activities of the Trust during the half-year were investing the Trust monies in accordance with its investment objectives and guidelines as set out in the investment strategy and in accordance with the provisions of the Trust Constitution.

Keybridge Capital Limited is the Investment Manager of the Trust.

The Trust did not have any employees during the half-year.

The Trust is currently listed on the Australian Securities Exchange (ASX: HHY).

There were no significant changes in the nature of the Trust's activities during the half-year.

Directors

The following persons held office as directors of Aurora Funds Management Limited during the half-year and up to the of this report, unless otherwise stated:

John Patton
Victor Siciliano
Anthony Hartnell AM

Units on issue

Units on Issue in the trust at the end of the half-year are set out below:

	31 December 2018	30 June 2018
Units on issue	81,403,538	81,403,538

Review and results of operations

During the half-year, the Trust continued to invest in accordance with the target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

On 30 November 2018 the Trust Constitution was amended to remove the entitlement of the Trustee to certain fees which had not been charged since at least 1 July 2016.

The investment policy of the Trust continues to be that detailed in accordance with the provisions of the governing documents of the Trust.

The operating loss after income tax and before finance costs attributable to unitholders for the half-year ended 31 December 2018 was \$896,790 (31 December 2017: profit \$1,373,775).

Director's Report

Financial results for the half-year

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

	Half-year ended	
	31 December 2018	31 December 2017
	\$	\$
Operating profit/(loss) before finance costs attributable to unitholders	(896,790)	1,373,775
Distributions paid and payable	-	-

Financial position

Net Tangible Assets (NTA) per unit as disclosed to the ASX are shown as follows:

	31 December 2018	30 June 2018
	\$	\$
At reporting period	0.0729	0.0840
High during period	0.1020	0.1307
Low during period	0.0729	0.0840

Information on Underlying Performance

The performance of the Trust is subject to the performance of the Trust's underlying investment portfolio. There has been no change to the investment strategy of the Trust during the year, and the Trust continues to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

Strategy and Future Outlook

The Trust continues to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. 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.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Trust that occurred during the half-year.

Director's Report

Matters subsequent to the end of the half-year

Other than the changes mentioned above, no other matters or circumstances have arisen since 31 December 2018 that significantly affected, or may significantly affect:

- (i) the operations of the Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trust in future financial years.

Indemnity and insurance of Aurora Funds Management Limited

No insurance premiums have been paid for out of the assets of the Trust in relation to insurance cover provided to either the officers of Aurora Funds Management Limited or the auditors of the Trust. So long as the officers of Aurora Funds Management Limited act in accordance with the Trust Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

Indemnity of auditors

The auditors of the Trust are in no way indemnified out of the assets of the Trust.

Cost recovery and interests held in the Trust by the Responsible Entity

Costs recovered by the Responsible Entity out of Trust property during the half-year are disclosed in Note 9 to the condensed consolidated financial statements.

No fees were paid out of Trust property to the Directors of the Responsible Entity during the half-year.

Interests in the Trust

The movement in units on issue in the Trust during the half-year is disclosed in Note 5 of the condensed financial statements.

The values of the Trust's assets and liabilities are disclosed in the Condensed Statement of Financial Position and derived using the basis set out in Note 2 of the interim report.

Environmental regulation

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

Proceedings on behalf of the Trust

No person has applied for leave of Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The Trust was not a party to any such proceedings during the half-year.

Director's Report

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 the following page.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*

On behalf of the directors

A handwritten signature in black ink, appearing to read 'John Patton', with a stylized flourish at the end.

John Patton
Managing Director
27 February 2019
Melbourne

Auditor's Independence Declaration

To the Directors of Aurora Funds Management Limited as the responsible entity of HHY Fund

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of HHY Fund for the half-year ended 31 December 2018. I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 27 February 2019

Financial Statement

Condensed Consolidated statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2018

	Note	Consolidated Half-year ended	
		31 December 2018 \$	31 December 2017 \$
Investment income			
Interest income		420	65,461
Dividend and distribution income		150	157,086
Net foreign currency gains/(losses)		-	3,254
Net gains/(losses) on financial instruments held at fair value through profit or loss	12	(707,953)	1,427,238
Total net investment income/(loss)		(707,383)	1,653,039
Expenses			
Management fees		20,041	33,533
Recoverable costs of Responsible Entity	9	62,559	50,000
Audit and tax fees		14,840	40,880
Transaction costs		-	3,694
Other operating expenses	10	79,177	69,440
Legal and professional costs	11	12,790	81,717
Total operating expenses		189,407	279,264
Operating profit/(loss) for the half-year		(896,790)	1,373,775
Finance costs attributable to unitholders			
Distributions to unitholders		-	-
Decrease/(increase) in net assets attributable to unitholders	5	896,790	(1,373,775)
Profit/(loss) for the half-year		-	-
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year		-	-
Earnings/(loss) per unit (basic/ diluted)		(0.110)	0.016

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Financial Statement

Condensed Consolidated Statement of Financial Position As at 31 December 2018

	Note	Consolidated	
		As at	
		31 December 2018 \$	30 June 2018 \$
Assets			
Cash and cash equivalents	6	173,305	5,462
Receivables		25,539	7,268
Financial assets held at fair value through profit or loss	7	5,855,410	6,896,004
Total assets		6,054,254	6,908,734
Liabilities			
Due to brokers - payable for securities purchased		105,737	67,802
Financial liabilities held at fair value through profit or loss	8	-	-
Other payables		11,147	6,772
Total liabilities (excluding net assets attributable to unitholders)		116,884	74,574
Net assets attributable to unitholders – liability		5,937,370	6,834,160
Liabilities attributable to unitholders		(5,937,370)	(6,834,160)
Net assets		-	-

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Financial Statement

Condensed Consolidated Statement of Changes in Equity For the half-year ended 31 December 2018

	Note	Consolidated Half-year ended	
		31 December 2018 \$	31 December 2017 \$
Balance at the beginning of the financial year		-	-
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-
Transactions with unitholders in their capacity as unitholders		-	-
Total operating expenses		-	-
Total equity at the end of the period		-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as liability rather than equity. As a result, there was no equity at the start or end of the financial half-year.

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Statement

Condensed Consolidated Statement of Cash Flows For the half-year ended 31 December 2018

	Note	Consolidated Half-year ended	
		31 December 2018 \$	31 December 2017 \$
Cash flows from operating activities			
(Net Payments)/Proceeds from purchase or sale of financial instruments held at fair value through profit or loss		70,576	(1,587,939)
Transaction costs on sale and purchase of financial instruments		-	(3,693)
Dividends and distributions received		150	156,105
Other income received		-	72,288
Interest received		(491)	-
GST recovered		(5,480)	(24,420)
Management fees paid		(20,041)	(33,533)
Recoverable costs of Responsible Entity		(62,559)	(50,000)
Other operating expenses paid		(114,312)	(62,695)
Net cash inflow/(outflow) from operating activities		(132,157)	(1,533,887)
Cash flows from investing activities			
Proceeds from unlisted loan security repayment		300,000	400,000
Net cash (inflow)/outflow from investing activities		300,000	400,000
Cash flows from financing activities			
Proceeds from applications by unitholders		-	-
Payments for share buy backs		-	(261,770)
Net cash (inflow)/outflow from financing activities		-	(261,770)
Net (decrease)/increase in cash and cash equivalents		167,843	(1,395,657)
Cash and cash equivalents at the beginning of the period		5,462	4,525,204
Cash and cash equivalents at the end of the period	6	173,305	3,129,547

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the notes.

Notes to Financial Statements

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Notes to Financial Statements

Note 1. General information

These condensed consolidated interim financial statements cover HHY Fund (the "Trust") as an individual entity together with its subsidiaries. The Trust commenced operations on 19 January 2005, and is domiciled in Australia.

The Responsible Entity of the Trust is Aurora Funds Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Suite 613, Level 6, 370 St Kilda Road, Melbourne VIC 3004. The financial statements are presented in Australian currency.

The Investment Manager of the Trust is Keybridge Capital Limited.

On 31 July 2007, HHY International Holdings 1 Pty Ltd was incorporated in Australia as a company limited by shares. It has been 100% owned since the date of incorporation by the Trust.

It is recommended that these condensed interim financial statements are considered together with current ASX announcements and in accordance with the provisions of the governing documents of the Trust, and any public announcements made by the Trust during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The principal activities of the Trust during the half-year were investing the Trust monies in accordance with its investment objectives and guidelines as set out in the investment strategy and in accordance with the provisions of the Trust Constitution.

The condensed interim financial statements were authorised for issue by the directors of the Responsible Entity as at the date of the directors' report. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

Note 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of this condensed interim financial report are set out below.

These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) New and amended standards

The Trust applies, for the first time, AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014). AASB 15 establishes a new revenue recognition model and changes the basis for determining whether revenue is to be recognised over time or at a point in time. This standard has had no material impact on the Trust's revenue recognition. AASB 9 introduces new classification and measurement requirements for financial assets, a forward-looking impairment model and revised hedge accounting requirements. The Trust's only material financial assets are its equity investments and its derivatives financial instruments which continue to be accounted for at fair value through profit or loss under AASB 9. Accordingly, the first-time application of AASB 9 has not had a material impact on the Trust.

The Trust has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(b) Basis of preparation

The accounting policies applied by the Trust in this condensed interim financial report are the same as those applied by the Trust in its Financial Report as at, and for, the year ended 30 June 2018.

Notes to Financial Statements

Note 2. Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

Statement of compliance

The condensed consolidated interim financial statements are a general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the annual financial report as at, and for, the year ended 30 June 2018.

The condensed consolidated interim financial statements comply with IAS 34 Interim Financial Reporting.

The condensed consolidated interim financial statements were authorised for issue by the directors as at the date of the directors' report. The Directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

(c) Basis of consolidation

The condensed consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Trust as at 31 December 2018 and the results of all subsidiaries for the half-year then ended. The Trust and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All transactions (including gains and losses) and balances between entities in the consolidated group are eliminated.

Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the assets transferred.

The consolidated financial statements of subsidiaries are prepared for the same reporting period as the Trust, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

(d) Parent entity financial information

The financial information for the Trust, as disclosed in Note 13, has been prepared on the same basis as the consolidated financial statements.

Note 3. Use of estimates and judgements

In preparing these interim financial statements, management may make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at, and for, the year ended 30 June 2018.

Notes to Financial Statements

Note 4. Fair value measurement

The Trust measures and recognises the following assets and liabilities at fair value on a recurring basis through profit or loss (FVTPL).

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

Fair value hierarchy

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Trust values its investments in accordance with the accounting policies within this note to the financial statements. For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

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

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.

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

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.

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

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Notes to Financial Statements

Note 4. Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Trust holds.

Recognised fair value measurements

The following tables detail the Trust's assets and liabilities, measured or disclosed at fair value as at the half-year ended 31 December 2018 and the year ended 30 June 2018, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	5,855,410	-	-	5,855,410
Unlisted convertible securities	-	-	-	-
Total financial assets	5,855,410	-	-	5,855,410
Financial liabilities				
Financial liabilities designated at fair value through profit or loss:				
Listed equity securities sold short	-	-	-	-
Total financial liabilities	-	-	-	-
30 June 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	6,573,627	-	-	6,573,627
Unlisted convertible securities	-	-	322,377	322,377
Total financial assets	6,573,627	-	322,377	6,896,004
Financial liabilities				
Financial liabilities designated at fair value through profit or loss:				
Listed equity securities sold short	-	-	-	-
Total financial liabilities	-	-	-	-

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and certain listed unit trusts.

Notes to Financial Statements

Note 4. Fair value measurement (continued)

Transfers between levels

There have been no transfers between levels for the half-year ended 31 December 2018 and the year ended 30 June 2018.

Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorized within level 3 of the fair value hierarchy, together with sensitivity analysis as at 31 December 2018 and 30 June 2018 are shown in the following table:

Investment	Valuation Technique	Significant unobservable inputs	Range of inputs	Sensitivity to the input to fair value
Just Kapital Limited Convertible Notes	Accumulation method	Principal plus accrued interest Discounted coupon rate	Dec 18: N/A (Disposed) Jun 18: 9.5% to 13.5%	Nil% (2018: 2%) increase/(decrease) in the range of coupon rates used would result in an increase/(decrease) of \$Nil/(\$Nil) (2018: \$6,448/(\$6,448))

Note 5. Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the half-year and previous financial year were as follows:

	31 December 2018 No.	30 June 2018 No.	31 December 2018 \$	30 June 2018 \$
Opening balance	81,403,538	85,583,437	6,834,160	9,751,575
Buy backs	-	(4,179,899)	-	(495,056)
Increase/(decrease) in net assets attributable to unitholders	-	-	(896,790)	(2,422,359)
Closing balance	81,403,538	81,403,538	5,937,370	6,834,160

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

Note 6. Cash and cash equivalents

	As at	
	31 December 2018 \$	30 June 2018 \$
Cash at bank	173,305	5,462
Total cash and cash equivalents	173,305	5,462

Notes to Financial Statements

Note 7. Financial assets held at fair value through profit or loss

	As at	
	31 December 2018 \$	30 June 2018 \$
Financial assets held at fair value through profit or loss		
Australian listed equity securities	5,852,380	6,570,651
International equity securities	3,030	2,976
Unlisted convertible notes	-	322,377
Total financial assets	5,855,410	6,896,004

Note 8. Financial liabilities held at fair value through to profit or loss

	As at	
	31 December 2018 \$	30 June 2018 \$
Financial liabilities held at fair value through profit or loss		
Australian listed equity securities	-	-
International equity securities	-	-
Total financial liabilities	-	-

Note 9. Related party transactions

Responsible Entity

The Responsible Entity of HHY Fund is Aurora Funds Management Limited.

Key management personnel unitholdings

As at 31 December 2018, Victor Siciliano, Executive Director, holds 111,642 (30 June 2018: 111,642) units in the Trust.

As at 31 December 2018, Anthony Hartnell AM, Non-Executive Director, holds 300,001 (30 June 2018: Nil) units in the Trust.

Key management personnel compensation

Key management personnel are paid by Aurora Funds Management Limited. Payments made from the Trust to Aurora Funds Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

Notes to Financial Statements

Note 9. Related party transactions (continued)

Other related party information

Seventh Orion

Seventh Orion Pty Ltd as Trustee for the Aurora Investments Unit Trust (Seventh Orion) owns 100% of the ordinary shares of Aurora Funds Management Limited, being the Responsible Entity of HHY Fund.

Seventh Orion Pty Ltd is 50% owned by John Patton, the Managing Director of Aurora Funds Management Limited.

Directorships

Mr John Patton was appointed to the Boards of the following listed entities held by other managed investment schemes also managed by the Responsible Entity:

- Mr Patton was appointed to the Board of Keybridge Capital Limited as a Non-Executive Director on 10 August 2016 and was subsequently appointed to the role of Executive Chairman on 13 October 2016. Further:
 - Keybridge Capital Limited is Investment Manager of the Trust; and
 - Keybridge Capital Limited holds 25,146,973 units (30 June 2018: 25,149,218 units) in the Trust; and
- Mr Patton was appointed to the Board of Metgasco Limited as a Non-Executive Director on 19 September 2016. The Fund holds an investment in Metgasco Limited of \$1,939,828 (June 2018: \$2,530,210).

Investments

The Trust did not hold any investments in any schemes which are also managed by the Responsible Entity.

Responsible entity's cost reimbursement

Under the terms of the Trust Constitution, the Responsible Entity is entitled to be reimbursed for expenses and costs incurred in performing its role as Responsible Entity.

The transactions during the year and amounts payable at half-year end between the Trust and the Responsible Entity were as follows:

	Half-year ended	
	31 December 2018	31 December 2017
	\$	\$
Recoverable costs of Responsible Entity for the year paid/payable by the Trust to the Responsible Entity	62,559	50,000
Balance owing to the Responsible Entity at the end of the reporting period	19,109	83,218

No amounts were paid by the Trust directly to the key management personnel of Aurora Funds Management Limited.

Notes to Financial Statements

Note 10. Other operating expenses

	Half-year ended	
	31 December 2018	31 December 2017
	\$	\$
Registry fees	11,815	5,353
Bank fees	1	-
ASIC/ASX fees	14,938	28,413
Interest expense	10,164	7,394
Stock loan fees	-	8,317
Other expenses	42,259	19,963
Total other operating expenses	79,177	69,440

The Trust incurred operating expenses in the preparation of accounting records and the maintenance of the unit register in accordance with the Trust Constitution.

Note 11. Legal and professional fees

	Half-year ended	
	31 December 2018	31 December 2017
	\$	\$
Legal fees	12,790	61,201
Takeover costs	-	20,516
Total legal and professional fees	12,790	81,717

The Trust incurred legal costs in relation to the meeting of Unitholders called by Wilson Asset Management (International) Limited held on 6 December 2018.

Note 12. Net (losses)/gains on financial instruments held at fair value through profit or loss

	Half-year ended	
	31 December 2018	31 December 2017
	\$	\$
Net realised gains/(losses) on financial instruments held at fair value through profit or loss	(707,953)	1,427,238
Net foreign exchange gains on cash and cash equivalents	-	3,254
Total net (losses)/gains on financial instruments held at fair value through profit or loss	(707,953)	1,430,492

Notes to Financial Statements

Note 13. Parent entity financial information

	31 December 2018 \$	30 June 2018 \$
Total assets	6,054,254	6,908,734
Total liabilities	(116,884)	(74,574)
Net assets attributable to unitholders	5,937,370	6,834,160

Note 14. Contingent assets and liabilities

There were no contingent assets and liabilities at 31 December 2018 (30 June 2018: Nil).

Note 15. Events occurring after the reporting period

Other than the changes already mentioned, no significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the Condensed Statement of Financial Position as at 31 December 2018 or on the results and cash flows of the Trust for the half-year ended on that date.

The most recent Net Asset Value (NAV) per unit disclosed to the ASX is 6.95 cents per unit as at 31 January 2019.

Director's Declaration

The Directors of the Responsible Entity declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards as stated in Note 2 to the condensed consolidated financial statements;
- (c) In the directors' opinion, the attached condensed consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- (d) The directors have been given the declarations of the Responsible Entity made pursuant to s295(5) of the *Corporations Act 2001*.

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

On behalf of the Responsible Entity, Aurora Fund Management Limited.



John Patton
Managing Partner
27 February 2019

Independent Auditor's Review Report

To the Unitholders of HHY Fund

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of HHY Fund (the Trust), which comprises the condensed consolidated statement of financial position as at 31 December 2018, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of HHY Fund does not give a true and fair view of the financial position of the Trust as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

The Directors of 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

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 Trust's financial position as at 31 December 2018 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 HHY 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.

Independence

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance
Melbourne, 27 February 2019