

# **Aurora Absolute Return Fund**

ARSN 110 303 430

**Interim financial report**

**For the half-year ended 31 December 2013**

# Aurora Absolute Return Fund

ARSN 110 303 430

## Interim financial report

### For the half-year ended 31 December 2013

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This interim 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 2013 and any public announcements made in respect of Aurora Absolute Return Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These financial statements cover the Aurora Absolute Return Fund as an individual entity.

The Responsible Entity of Aurora Absolute Return Fund is Aurora Funds Management Limited (ABN 69 092 626 885). The Responsible Entity's registered office is:

Level 4, 1 Alfred Street  
Sydney, NSW 2000

## Directors' report

The directors of Aurora Funds Management Limited (ABN 69 092 626 885), the Responsible Entity of Aurora Absolute Return Fund ("the Trust"), present their interim report together with the condensed financial statements of the Trust for the financial half-year ended 31 December 2013, and the auditor's report thereon.

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

### Principal activities

The Trust invests in the unlisted Aurora Fortitude Absolute Return Fund (ARSN 145 894 800) (the "Master Fund"), in accordance with the provision of the Trust Constitution and the current Product Disclosure Statement.

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

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

The Trust is currently listed on the Australian Security Exchange (ASX).

### Directors

The following persons held office as directors of Aurora Funds Management Limited during the half-year or since the end of the half-year and up to the date of this report:

John Corr  
Alastair Davidson  
Simon Lindsay  
Oliver Morgan (appointed 4 February 2014)  
Steuart Roe

### Units on Issue

Units on issue in the Trust at half-year are set out below:

	<b>31 December 2013 No.</b>	30 June 2013 No.
Units on issue	<u><b>16,546,635</b></u>	<u>10,342,761</u>

## Directors' report (continued)

### Review and results of operations

During the half-year, the Trust continued 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's Constitution.

The investment policy of the Trust continues to be that detailed in the current Product Disclosure Statement and in accordance with the provisions of the governing documents of the Trust.

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

	Half-year ended	
	31 December 2013	31 December 2012
	\$	\$
<b>Net operating profit/(loss)</b>	<b>435,505</b>	131,474
Distributions paid and payable	<b>457,518</b>	333,673
Distribution (cents per unit) 31 December	<b>1.59</b>	2.20
Distribution (cents per unit) 30 September	<b>1.59</b>	1.70

The performance of the Trust is available through the recent performance reports available on the Responsible Entity's website. Consistent with the statements in the governing documents of the Trust, future performance is not guaranteed. Investors should exercise care in using past performance as a predictor of future performance.

### 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 financial half-year.

### Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2013 that has significantly affected, or may significantly affect:

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

### Likely developments and expected results of operations

The Trust will continue 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's 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.

## **Directors' report (continued)**

### **Environmental regulation**

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

### **Indemnity and insurance of officers**

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of Aurora Funds Management Limited or the auditor of the Trust. So long as the officers of the 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 any losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

### **Fees paid to and interests held in the Trust by the Responsible Entity or its associates**

There were no fees paid to the Responsible Entity and its associates out of Trust property during the half-year. No fees were paid out of Trust property to the directors of the Responsible Entity during the half-year.

### **Auditor's independence declaration**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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



Steuart Roe  
Director  
Sydney  
19 February 2014

The Directors  
Aurora Funds Management Limited  
Level 4, 1 Alfred Street  
SYDNEY NSW 2000

Dear Directors

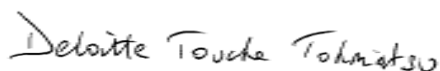
## **Independence Declaration - Aurora Absolute Return Fund**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Aurora Funds Management Limited, the Responsible Entity of Aurora Absolute Return Fund.

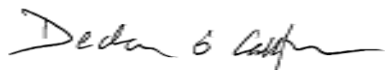
As lead audit partner for the review of the financial statements of Aurora Absolute Return Fund for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan  
Partner  
Chartered Accountants  
Sydney, 19 February 2014

**Aurora Absolute Return Fund**  
**ARSN 110 303 430**  
**Condensed Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2013**

**Condensed Statement of Profit or Loss and Other Comprehensive income**

	Notes	Half-year ended	
		31 December 2013 \$	31 December 2012 \$
<b>Income</b>			
Interest income		5,475	5,426
Dividend and distribution income		439,738	320,801
Net losses on financial instruments held at fair value through profit or loss	4	(5,287)	(190,287)
<b>Total net investment income</b>		<u>439,926</u>	<u>135,940</u>
<b>Expenses</b>			
Other operating expenses		4,421	4,466
<b>Total operating expenses</b>		<u>4,421</u>	<u>4,466</u>
<b>Operating profit for the half-year</b>		<u>435,505</u>	<u>131,474</u>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders	6	(457,518)	(333,673)
Decrease in net assets attributable to unitholders	5	22,013	202,199
<b>Profit/(loss) for the half-year</b>		<u>-</u>	<u>-</u>
Other comprehensive income for the half-year		-	-
<b>Total comprehensive income for the half-year</b>		<u>-</u>	<u>-</u>

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

**Condensed Statement of Financial Position**

		As at	
	Notes	31 December 2013 \$	30 June 2013 \$
<b>Assets</b>			
Cash and cash equivalents		791,927	455,590
Receivables		239,738	142,616
Financial assets held at fair value through profit or loss	7	15,985,466	9,448,696
<b>Total assets</b>		17,017,131	10,046,902
Application Received in Advanced		20,000	-
Distribution payable		251,833	155,010
Other liabilities		2,491	6,686
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		274,324	161,696
<b>Net assets attributable to unitholders - liabilities</b>	5	16,742,807	9,885,206
<b>Liabilities attributable to unitholders</b>		(16,742,807)	(9,885,206)
<b>Net assets</b>		-	-

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



**Condensed Statement of Changes in Equity**

	As at	
	31 December 2013	30 June 2013
	\$	\$
<b>Total equity at the beginning of the half-year</b>	-	-
Profit/(loss) for the half-year	-	-
Other comprehensive income for the half-year	-	-
<b>Total comprehensive income for the half-year</b>	-	-
Transactions with equity holders in their capacity as equity holders	-	-
<b>Total equity at the end of the financial half-year</b>	-	-

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

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

## Condensed Statement of Cash Flows

	Notes	Half-year ended	
		31 December 2013 \$	31 December 2012 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		-	2,913,300
Purchase of financial instruments held at fair value through profit or loss		<b>(6,542,057)</b>	(5,311,194)
Dividends and distributions received		<b>342,057</b>	273,566
Interest received		<b>6,051</b>	7,181
GST recovered		<b>111</b>	31
Payment of other expenses		<b>(4,556)</b>	(4,503)
<b>Net cash inflow/(outflow) from operating activities</b>		<b><u>(6,198,394)</u></b>	<b><u>(2,121,619)</u></b>
<b>Cash flows from financing activities</b>			
Units (purchased) and sold by Fund		-	349,695
Proceeds from applications by unitholders	5	<b>8,235,857</b>	1,817,193
Payments for redemptions by unit holders	5	<b>(1,399,717)</b>	(165,305)
Distributions paid		<b>(301,409)</b>	(276,020)
<b>Net cash inflow/(outflow) from financing activities</b>		<b><u>6,534,731</u></b>	<b><u>1,725,563</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>336,337</b>	(396,056)
Cash and cash equivalents at the beginning of the half-year		<b><u>455,590</u></b>	<b><u>645,445</u></b>
<b>Cash and cash equivalents at the end of the half-year</b>		<b><u>791,927</u></b>	<b><u>249,389</u></b>

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

## **Notes to the Condensed Financial Statements**

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## **1 General information**

Aurora Absolute Return Fund ("the Trust") is an Australian registered managed investment scheme under the Corporations Act 2001. The Trust commenced operations on 4 July 2006 and was admitted to the Australian Stock Exchange ("ASX") on 10 July 2006. Aurora Funds Management Limited ("AFML"), the Responsible Entity of the Trust, is incorporated and domiciled in Australia. The interim financial report of the Trust is for the six months ended 31 December 2013.

### **Statement of Compliance**

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with international Financial Reporting Standards.

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 2013, together with the current product disclosure document and in accordance with the provisions of the governing documents of the Trust, and any public announcements made in respect of the Trust during the half year period in accordance with the continuous disclosure requirements of the *Corporation Act 2001*.

The interim financial report was authorised for issue by the directors of the Responsible Entity on 19 February 2014. The directors of the Responsible Entity have the power to amend and reissue the condensed financial statements.

### **Operation and principal Activities**

The principal activities of the Trust during the financial half-year were managing its investment strategy in accordance with the provision of the Trust Constitution and the product disclosure statement.

### **Registered office**

The registered office of the Trust is at:

Level 4  
1 Alfred Street  
Sydney NSW 2000

## **2 Significant accounting policies**

### **Basis of preparation**

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies applied by the Trust in the preparation of the interim financial report are consistent with those adopted and disclosed in the annual financial report as at and for the year ended 30 June 2013, except with the impact of the Standards and Interpretations described in this Note. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

## **2 Summary of significant accounting policies (continued)**

### *(i) New and amended standards*

The Trust has adopted all the new and revised Standards and interpretations issued by the Australian Accounting Standard Board (AASB) that are relevant to their operations and effective for the interim period:

*AASB 13 Fair Value Measurement and AASB 2011- 8 Amendments to Australian Accounting Standards arising from AASB 13;*

In accordance with AASB 13, the standard has been applied prospectively and the Trust has adopted a definition of fair value, as set out in this note. The change had no material impact on the measurement of the Trust's assets and liabilities. However, the Trust has included new disclosures in Note 4 of the Condensed Financial Statements which are required under AASB 13.

*AASB 2012 – 2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.*

The amendments have been applied retrospectively. As the Trust does not have any offsetting arrangements in place, the application of the amendments has had no material impact on disclosures or on the amounts recognised in the financial statements.

### *(ii) Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

The Trust measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is considered as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Where there is no quoted price in an active market, the Trust uses valuation techniques that maximise the use of relevant and observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all factors that market participants would take into account in pricing a transaction.

### *(iii) Estimates*

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

## **3. Fair Value Measurement**

### **(a) Fair Value estimation**

The carrying amounts of the Trust's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss is measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

#### *(i) Fair value in an active market*

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.

For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

### 3. Fair Value Measurement (continued)

#### (a) Fair Value estimation (continued)

##### (i) Fair value in an active market (continued)

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

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such Trusts.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar financial instruments.

#### (b) Fair value hierarchy

The Trust classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table presents the Trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy as at 31 December 2013 and 30 June 2013.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 31 December 2013				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Unlisted unit trusts	-	15,985,466	-	15,985,466
<b>Total</b>	<u>-</u>	<u>15,985,466</u>	<u>-</u>	<u>15,985,466</u>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 June 2013				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Unlisted unit trusts	-	9,448,696	-	9,448,696
<b>Total</b>	<u>-</u>	<u>9,448,696</u>	<u>-</u>	<u>9,448,696</u>

### 3. Fair Value Measurement (continued)

#### (b) Fair value hierarchy (continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include the over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year. the Trust's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

### 4 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	Half-year ended	
	31 December 2013	31 December 2012
	\$	\$
<b>Financial assets</b>		
Net realised gain/(loss) on financial assets held at fair value through profit or loss	-	-
Net unrealised (loss) on financial assets held at fair value through profit or loss	<b>(5,287)</b>	(190,287)
Total net (losses) on financial instruments held at fair value through profit or loss	<b>(5,287)</b>	(190,287)

### 5 Net assets attributable to unitholders

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

	31 December 2013	31 December 2012	Half-year ended	
	Number of units	Number of units	31 December 2013	31 December 2012
			\$	\$
Opening balance - excluding treasury units	9,360,125	7,088,187		
Applications	7,696,459	2,108,638		
Redemptions	(1,319,451)	(268,471)		
Units issued upon reinvestment of distributions	59,842	63,719		
Closing balance - excluding treasury units	<b>15,796,975</b>	8,992,073		
Opening balance - treasury units	982,636	108,748		
Applications	1,308,481	268,471		
Redemptions	(7,491,457)	(2,108,173)		
Creation of treasury units	5,950,000	2,180,000		
Closing balance - treasury units	<b>749,660</b>	449,046		

## 5. Net assets attributable to unitholders (continued)

	Half-year ended			
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<b>Number of units</b>	Number of units	\$	\$
Opening balance - including treasury units	10,342,761	7,196,935	9,885,206	7,682,242
Applications	9,004,940	2,377,109	8,215,857	2,166,888
Redemptions	(8,810,908)	(2,376,644)	(1,399,717)	(165,305)
Units issued upon reinvestment of distributions	59,842	63,719	63,474	68,985
Creation of treasury units	5,950,000	2,180,000	-	-
Decrease in net assets attributable to unitholders	-	-	(22,013)	(202,199)
<b>Closing balance - including treasury units</b>	<b>16,546,635</b>	9,441,119	<b>16,742,807</b>	9,550,611

As stipulated within the Trust's 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. There are no separate classes of units and each unit has the same rights attaching to it as all other units of Trust.

## 6 Distributions to unitholders

### Timing of distributions

The distributions for the half-year were as follows:

	Half-year ended			
	31 December 2013		31 December 2012	
	\$	CPU	\$	CPU
<b>Distributions paid and payable</b>				
September interim	206,264	1.59	180,978	2.20
December interim	251,254	1.59	152,695	1.70
<b>Total distributions</b>	<b>457,518</b>		<b>333,673</b>	

Distributions payable in the Condensed Statement of Financial Position includes distributions payable from prior periods.

## 7 Financial assets held at fair value through profit or loss

	As at	
	31 December 2013	30 June 2013
	\$	\$
<b>Designated at fair value through profit or loss</b>		
Units in Australian unit trusts	15,985,466	9,448,696
<b>Total financial assets held at fair value through profit or loss</b>	<b>15,985,466</b>	<b>9,448,696</b>



## **8 Segment information**

The Trust is organised into one main business segment which operates solely in the business of investment management within Australia. While the Trust operates from Australia only (the geographical segment), the Trust may have asset exposures in different countries and across different industries.

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

## **9 Contingent assets, liabilities and commitments**

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2013 (30 June 2013: Nil).

## **10. Events occurring after the reporting period**

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 2013 or on the results and cash flows of the Trust for the half-year ended on that date.

## **Directors' declaration**

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 7 to 17 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2013 and of its performance for the financial half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Steuart Roe  
Director

Sydney  
19 February 2014

## Independent Auditor's Review Report to the Unitholders of Aurora Absolute Return Fund

We have reviewed the accompanying half-year financial report of Aurora Absolute Return Fund ("the Fund"), which comprises the condensed statement of financial position as at 31 December 2013, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, selected explanatory notes and, the directors' declaration as set out on pages 7 to 18.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Responsible Entity, Aurora Funds Management Limited, 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 Fund's financial position as at 31 December 2013 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.

*Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity would be in the same terms if given to the directors as at the time of this auditor's review report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the 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 2013 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*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Declan O'Callaghan*

Declan O'Callaghan  
Partner  
Chartered Accountants  
Sydney, 19 February 2014