HHY Fund
ARSN 112 579 129

Consolidated Annual Report
For the year ended 30 June 2017

Contents

Directors' Report

The Directors of Aurora Funds Management Limited (ABN 69 092 626 885), (the "Responsible Entity") of HHY Fund ("the Trust"), present their annual report together with the consolidated financial statements of HHY Fund, consisting of the Trust and the entities it controlled at the end of, or during the financial year ended 30 June 2017.

Principal activities

The principal activity of the Trust is to invest in accordance with its investment objectives and guidelines as set out in the Trust Constitution.

On 30 June 2016, Keybridge Capital Limited was appointed as Investment Manager of the Trust.

The Trust did not have any employees during the year.

The Trust is currently listed on the Australian Security Exchange (ASX: HHY) as a closed end fund.

There were no significant changes in the nature of the Trust's activities during the year, other than the off-market Takeover Announcement made by Aurora Global Income Trust (of which Aurora Funds Management Limited is the Responsible Entity) on 29 September 2016. Refer to significant changes in state of affairs on pages 3 and 4 for more detail.

Directors

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

John Patton
Betty Poon
Jeffrey E. Schwarz (appointed 25 July 2017)
Jim Hallam (resigned 25 July 2017)

Units on issue

	2017	2016
At 30 June	85,583,437	95,408,193

Review and results of operations

During the 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.

Financial results for the year

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

	2017 $	2016 $
Operating (loss)/profit before finance costs attributable to unitholders	(1,273,118)	1,667,573
Distributions paid and payable	-	-
Distribution (cents per unit) 30 September	-	-
Distribution (cents per unit) 31 December	-	-
Distribution (cents per unit) 31 March	-	-
Distribution (cents per unit) 30 June	-	-

Financial position

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

	2017 $	2016 $
At 30 June	0.1141	0.1289
High during period	0.1277	0.1289
Low during period	0.1141	0.1090

Reconciliation of net assets for unit pricing and financial reporting purposes

The key differences between net assets for unit pricing purposes and net assets as reported in the financial statements prepared under Accounting Australian Standards are outlined below:

	2017 $	2016 $
Net assets for unit pricing purposes	9,767,100	12,313,186
Difference between net assets for unit pricing purposes and bid/ask price held at fair value through profit or loss	(15,525)	(100,387)
Other adjustments	-	-
Nets assets under Australian Accounting Standards	9,751,575	12,212,799

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

General Meeting of Unitholders

On 9 August 2016, the Responsible Entity received a request, on behalf of entities managed by Wilson Asset Management (International) Pty Limited (and its related entities), to call and arrange an extraordinary general meeting of unitholders to consider the removal of Aurora Funds Management Limited as Responsible Entity of the Trust and, if that occurs, the appointment of another Responsible Entity.

On 29 September 2016, a General Meeting of HHY Fund Unitholders was held. The Chairman noted that the Aurora Global Income Trust (of which Aurora Funds Management Limited is the Responsible Entity) announced an off-market script takeover bid for the HHY Fund. As a result, the Chairman determined that it was appropriate to adjourn the meeting to enable information in relation to the takeover bid to be provided to the unitholders.

On 11 November 2016, the Responsible Entity received notice of a general meeting to be held on 6 December 2016, convened under section 252D(1) of the *Corporations Act 2001* by Wilson Asset Management (International) Limited. The cost associated with this general meeting was $35,719 which was paid from the Trust.

The general meeting was convened to consider resolutions to replace the Responsible Entity with Record Funds Management Limited.

On 9 December 2016, the Responsible Entity announced the results of the general meeting of unitholders. As the resolutions were not carried, Aurora Funds Management Limited continues to act as the Responsible Entity.

Significant changes in state of affairs (continued)

Takeover Bid

On 29 September 2016, the Aurora Global Income Trust announced an off-market script takeover bid for the HHY Fund. The cost associated with this takeover was $187,184 which was paid by the Trust.

On 18 November 2016, a Bidders Statement was lodged with ASIC. The Bidders Statement was dispatched to unitholders on 28 November 2016. On 19 January 2017, a Supplementary Bidders Statement was lodged with ASIC and disclosed via ASX announcement.

On 13 December 2016, the Target Statement was lodged with ASIC and dispatched to unitholders. On 29 June 2017, a Supplementary Target Statement was lodged with ASIC and disclosed via ASX announcement.

On 19 January 2017, the Trust extended the offer period from 30 January 2017 to 27 February 2017. On 20 February 2017, the Trust further extended the offer period from 27 February 2017 to 31 March 2017.

On 24 March 2017, the Trust further extended the offer period from 31 March 2017 to 31 May 2017. On 24 May 2017, the Trust further extended the offer period from 31 May 2017 to 30 June 2017.

On 23 June 2017, the Trust further extended the offer period to 21 July 2017.

On 14 July 2017, the Trust further extended the offer period from 21 July 2017 to 29 September 2017, so HHY Fund unitholders have until 29 September 2017, unless the offer is further extended, to accept or decline this offer.

HHY unitholders who accept this offer will receive units in the Aurora Global Income Trust (AIB) in exchange for their HHY units, such that the net asset value (NAV) of the HHY units equates to the NAV of the AIB units as at the date and time at which the offer period expires unless otherwise extended.

In the opinion of the Directors, other than the matters already referred to in this report, there were no significant changes in the state of affairs of the Trust that occurred during the financial year.

Matters subsequent to the end of the financial year

As at the date of signing this financial report, 11.9% of HHY Fund unitholders have accepted the takeover's offer.

Other than the changes mentioned above, no other matters or circumstances have arisen since 30 June 2017 that have 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 are 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.

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

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

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

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

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in Note 12 of the financial statements.

The values of the Trust's assets and liabilities are disclosed on the Statement of Financial Position and derived using the basis set out in Note 8 to Note 11 of the financial statements.

Environmental regulation

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

Information on directors

The following persons were Directors during the year and were Directors of the Responsibilities Entity during the whole or part of the year and up to the date of this report.

Name:	**John Patton**
Title:	Executive Director
Qualifications:	Bachelor of Economics, Chartered Accountant, Graduate Diploma in Applied Finance and Investment
Experience and expertise:	John was appointed as Executive Director and Managing Director of Aurora Funds Management Limited on 30 June 2016. John was previously a partner with Ernst & Young in the Transactions Advisory Services division and has over 25 years of professional services and industry experience. John has extensive corporate finance credentials, having been involved in over 250 corporate transactions, including mergers & acquisitions, structuring, debt & equity raisings, IPO's, management buy-outs, valuations, due diligence, financial modeling, restructuring and corporate advisory.
Other current directorships:	Keybridge Capital Limited; Metgasco Limited
Former directorships (in the last 3 years):	None
Special responsibilities:	Managing Director
Interests in units:	None

Name:	**Betty Poon**
Title:	Executive Director
Qualifications:	Bachelor of Business (Accounting), Chartered Accountant
Experience and expertise:	Betty was appointed Executive Director of Aurora Funds Management Limited on 7 September 2015. She joined Aurora Funds Management Limited in May 2013 as Chief Financial Officer and was appointed Company Secretary on 31 January 2014. Prior to joining Aurora, Betty held a number of senior finance roles at ANZ Banking Trust, JP Morgan, Aviva Investors and Pitcher Partners.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of Compliance Committee, Company Secretary
Interests in units:	None

Information on directors (continued)

Name:	**Jeffrey E. Schwarz**
Title:	Non-Executive Director
Qualifications:	BS Economics (Accounting), MBA Accounting and Finance
Experience and expertise:	Jeffrey was appointed as Non-Executive Director of Aurora Funds Management Limited on 25 July 2017. Jeffrey was the co-founder of Metropolitan Capital Advisors, Inc., a New York-based money management firm. He served as its Chief Investment Officer from the firm's inception in 1992 until 2012. Jeffrey serves as the Co-Chairman of the Board of Bogen Corporations, a telecommunications equipment provider; and as the Co-Chairman of the Board of Bogen Communications International Inc., which is the ultimate corporate parent of Speech Design GmbH, a global provider of messaging services to telecom carriers. Jeffrey previously served as the Chairman of the Board of Molopo Energy Limited, an Australian Stock Exchange listed oil and gas exploration company and as a member of the Board of Directors of Cyberonics Inc., a NASDAQ listed medical device company
Other current directorships:	Bogen Communications International Inc
Former directorships (in the last 3 years):	Molopo Energy Limited
Special responsibilities:	None
Interests in units:	None

Name:	**Jim Hallam**
Title:	Non-Executive Director
Qualifications:	Bachelor of Economics (Accounting)
Experience and expertise:	Jim was appointed as Non-Executive Director of Aurora Funds Management Limited on 30 June 2016 and resigned on 25 July 2017. Jim has over 20 years' finance and operational experience in Australian funds and investment management experience. Focused on building strong strategically important processes to create and support funds management, Jim's expertise in finance includes his role as CFO at Hastings Funds Management Limited from 1997 to 2006. Whilst at Hastings, funds under management grew from A$500 million to A$3,600 million, with investments being made in Australia, UK and the US for listed and unlisted funds. His experience spans a diverse range of businesses including toll roads, airports, electricity and gas transmission networks, water utilities, timber plantations, telecommunications, ports and stadiums. Jim resigned on 25 July 2017.
Other current directorships:	None
Former directorships (in the last 3 years):	None
Special responsibilities:	Member of Compliance Committee
Interests in units:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorship of all other types of entities, unless otherwise stated.

Board and Committee meetings

Director	Full Board		Compliance Committee	
	Held	**Attended**	**Held**	**Attended**
John Patton	43	43	-	-
Betty Poon	43	42	4	4
Jeffrey E. Schwarz	-	-	-	-
Jim Hallam	43	43	2*	2

Held: represent the number of meetings held during the time the director held office.

* Jim Hallam was appointed to the Compliance Committee on 19 January 2017 and resigned on 25 August 2017.

Directors' Report

Interests held by the Responsible Entity and Directors

The number of units in the Trust held by the Responsible Entity, their related parties and Directors at the date of this report are disclosed in Note 15 to the financial statements.

Proceedings on behalf of the Company

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 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 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

John Patton
Managing Director
27 September 2017
Melbourne

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The Board of Directors
Aurora Funds Management Limited
Level 6, Suite 613
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Melbourne VIC 3004

27 September 2017

Dear Sirs,

HHY 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 HHY Fund.

As lead audit partner for the audit of the financial statements of HHY Fund for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Declan O'Callaghan
Partner
Chartered Accountants

Financial Statement

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Investment Income			
Interest income		150,048	73,822
Dividend and distribution income		151,957	313,128
Other operating income		-	66,028
Net foreign currency gains/(losses)		18,228	(6,534)
Net gains/(losses) on financial instruments held at fair value through profit or loss		(850,531)	1,695,090
Total net investment income/(loss)		(530,298)	2,141,534
Expenses			
Management and Responsible Entity fees	15	175,331	175,544
Audit and tax fees	14	74,670	63,770
Dividend expense		1,184	-
Transaction costs		5,933	20,845
Other operating expenses	13(a)	262,799	213,802
Takeover costs	13(b)	187,184	-
Unitholder meeting costs	13(c)	35,719	-
Total operating expenses		742,820	473,961
Operating profit/(loss) for the year		(1,273,118)	1,667,573
Finance costs attributable to unitholders			
Distributions to unitholders		-	-
Decrease/(increase) in net assets attributable to unitholders	12	1,273,118	(1,667,573)
Profit/(loss) for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Financial Statement

Consolidated statement of financial position
As at 30 June 2017

		Consolidated	
	Note	**2017 $**	**2016 $**
Assets			
Cash and cash equivalents	8	4,525,204	2,503,189
Receivables	9	446,553	493,711
Due from brokers - receipts for securities sold		626,711	-
Financial assets held at fair value through profit or loss	10	4,718,692	9,821,728
Total assets		10,317,160	12,818,628
Liabilities			
Other creditors		47,531	38,366
Financial liabilities held at fair value through profit or loss	11	480,812	556,320
Other payables		37,242	11,143
Total liabilities (excluding net assets attributable to unitholders)		565,585	605,829
Net assets attributable to unitholders – liability	12	9,751,575	12,212,799
Liabilities attributable to unitholders		(9,751,575)	(12,212,799)
Net assets		-	-

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

Consolidated statement of changes in equity
For the year ended 30 June 2017

		Consolidated	
	Note	2017 $	2016 $
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 equity at the end of the financial year		-	-

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 year.

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

Consolidated statement of cash flows
For the year ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		4,314,649	6,344,768
Purchase of financial instruments held at fair value through profit or loss		(746,134)	(14,338,962)
Transaction costs on sale and purchase of financial instruments		(5,933)	(20,845)
Dividends and distributions received		163,687	289,260
Interest received		157,184	73,822
Other income received		-	66,028
Income tax refunded/(paid)		-	(129,541)
GST recovered/(paid)		27,108	(49,755)
Management and performance fees paid		(175,331)	(175,544)
Other operating expenses paid		(525,108)	(403,089)
Net cash inflow/(outflow) from operating activities	16(a)	3,210,122	(8,343,858)
Cash flows from financing activities			
Payments for share buy backs		(1,188,107)	(764,071)
Net cash (inflow)/outflow from financing activities		(1,188,107)	(764,071)
Net (decrease)/increase in cash and cash equivalents		2,022,015	(9,107,929)
Cash and cash equivalents at the beginning of the year		2,503,189	11,611,118
Cash and cash equivalents at the end of the year	8	4,525,204	2,503,189
Non-cash financing activities	16(b)	-	-

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

Notes to Financial Statements

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Notes to Financial Statements

Note 1. General information

These consolidated financial statements cover HHY Fund (the "Trust") as an individual entity. 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 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 financial statements are considered together with 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 year ended 30 June 2017 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and ASX listing rules.

The principal activities of the Trust during the financial 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 consolidated 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. Adoption of new and revised Accounting Standards

New, revised or amending Accounting Standards and Interpretations adopted

The Trust has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Trust for the annual reporting period ended 30 June 2017. The Trust's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Trust, as set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. This standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. New simpler hedge accounting requirements are intended to more closely align with the risk management activities of the Trust. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognize an allowance.

The Trust intends to apply the standard from 1 July 2018 and is currently working through the financial statement impact of this new standard. The magnitude of the financial impacts on transition and on the comparative financial year is yet to be determined, as a result, at this time the Trust cannot make a reasonable quantitative estimate of the effects of the new standard.

Note 2. Adoption of new and revised Accounting Standards (continued)

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standards is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The Trust will adopt this standard from 1 July 2018. The changes in revenue recognition requirements in AASB 15 are not expected to have a significant impact on the timing and amount of revenue recorded in the financial statements, or result in significant additional disclosures.

Note 3. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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

The Consolidated Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

Note 3. Significant accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Trust as at 30 June 2017 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.

Parent entity financial information

The financial information for the Trust, as disclosed in Note 18, has been prepared on the same basis as the consolidation financial statements.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within two business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Trust will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

Payables

All expenses, including Responsible Entity's fees, Management fees, audit and tax fees and other operating expenses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on an accrual basis. Unpaid amount is recognised in the Consolidated Statement of Financial Position as other payables.

Investment income

Interest income is recognised in profit or loss for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 6.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts when it is probable that the economic benefit will flow to the Trust and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Note 3. Significant accounting policies (continued)

Dividend income is recognised on the ex-dividend date, inclusive of any related foreign withholding tax. The Trust currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date. Trust distributions are recognised on an entitlements basis.

Expenses
All expenses, including Responsible Entity's fees, Management fees, audit and tax fees and other operating expenses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on an accrual basis.

Goods and Services Tax ('GST')
The GST incurred on the costs of various services provided to the Trust by third parties, have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits (RITCs) at a rate of 55% or 75%; hence management fees, custodial fees and other expenses have been recognised in the Statement of Profit or Loss and Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

Income tax
Under current legislation, the Trust is not subject to income tax as unitholders are presently entitled to the income of the Trust. The benefit of imputation credits and foreign tax paid is passed on to unitholders.

Foreign currency translation
(i) Functional and presentation currency
Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Trust competes for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements require management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 4. Critical accounting judgements, estimates and assumptions (continued)

Key sources of estimation uncertainty

1. Just Kapital Limited Convertible Notes

As at 30 June 2017, the Trust held an investment in Just Kapital Limited Convertible Notes ("Just Kapital"), which are unlisted. The Trust has adopted judgements and estimates to fair value of this investment.

a. Background

Just Kapital Limited is an ASX listed litigation funder with a market capitalisation of approximately $23 million.

Just Kapital Limited convertible bonds acquired by The Trust include the following terms:

- The Trust subscribed to Just Kapital at a face value of $300,000;
- The interest rate on Just Kapital is 11.5% per annum (accrued daily and payable quarterly);
- Just Kapital can be redeemed early by the Company at any time, triggering a 10% premium payment in cash;
- Just Kapital can be redeemed early by the Company with agreement of the bond holders at a 10% discount to the 5-day VWAP shares; and
- Just Kapital can be converted to ordinary shares at the option of the bond holder at any time at $0.30 per share to the July 2018 realisation date.

b. Valuation considerations

- Just Kapital Limited is going through a growth phase expanding its balance sheet (doubled from FY16) while incurring losses. The Company redeeming early is unlikely.
- The maximum share price of Just Kapital in the last 12 months is $0.30, and it is currently trading at $0.13 identifying the exercise of the options appears unlikely.
- Using a Black and Scholes model, the option value is immaterial.
- The Trust has no intention on requesting early redemption of the convertible notes.
- Accordingly, for the purposes of 30 June 2017 financial statements, and after careful consideration of the available information, management has considered the range of possible values and determined that the fair value of Just Kapital Limited to be $307,336 as at 30 June 2017.

2. FastTrack Pty Limited Convertible Notes

As at 30 June 2017, the Trust held an investment in FastTrack Pty Limited Convertible Notes ("FastTrack"), which are unlisted. The Trust has adopted judgements and estimates to fair value of this investment.

a. Background

- FastTrack is a privately held software as a service recruitment software developer.
- As FastTrack is currently seeking to expand its user base, it has negative cash flows ('cash burn') and EBITDA (-$0.1m at YTD December 2016). There is significant judgement applied when valuing the FastTrack debt/equity/options given the unobservable inputs (such as counterparty credit spread and share price), therefore the valuation has been based on how much the investor believes in the FastTrack value proposition, and ability to effectively monetise it in future.
- FastTrack have issued notes acquired by the Trust, and contain an embedded derivative with the following terms:
  - The company can redeem early, but must pay a 25% premium if it does so;
  - In the event FastTrack lists: on listing the investor receives a 25% premium to the share price on listing;
  - In the event that FastTrack is sold via a trade sale, the cash received is equivalent to 25% discount to the implied value of the shares sold.

Note 4. Critical accounting judgements, estimates and assumptions (continued)

b. Valuation considerations

- As a growing software as a service company, the value of the business is in the 'concept' which is in the eye of the holder. There may be parties that believe the business has IPO / trade sale potential, but equally some may not
- In the last 12mths, Aurora received a verbal offer to acquire the instrument at issue face value (less transaction costs), effectively valuing the derivative at nil
- As a privately-owned company, there is not sufficient trade data to value the option
- Accordingly, for the purposes of 30 June 2017 financial statements, and after careful consideration of the available information, management has considered the range of possible values and determined that the fair value of FastTrack Pty Ltd to be $275,000 (representing principal plus accrued interest) as at 30 June 2017.

3. Monark Residential Capital Pty Ltd

As at 30 June 2017, the Trust held loans and receivables in Monark Residential Capital Pty Ltd ("Monark"). The Trust has adopted judgements and estimates to fair value of this investment.

a. Background

- Monark Partners syndicates development loans
- The Trust invested $400,000 as part of a Monark syndicate that provided $6.2m in funding to Goldfields Capital Pty Ltd to acquire a development lot at 525 High Street, Prahran.
- Each syndicate member entered into an agreement to provide non-recourse debt to Monark as part of its participation in the syndicate. The Trust contracted with Monark as intermediary, with no recourse to Goldfields Capital Pty Ltd ("Goldfields"). The loan agreement the Trust has with Monark has no enforcement rights.
- The loan accrues 10% interest (capitalising) with a bullet repayment which was due on 18 April 2017.
- The loan is secured by a first ranking mortgage. Monark have advised that there has been no cross collateralisation of this security (i.e. it benefits only the Goldfields syndicate)
- The purpose of the facility was a bridging facility for Goldfields to achieve approvals and presales for a development on the property. It was expected that once these were achieved, a new construction facility would be obtained, with the Goldfields syndicate paid out.
- The total facilities owed by Goldfields for the 525 High Street development is $7.6m. This has been tranched into senior 'A' ($6.5m) and mezzanine 'B' ($1.1m) tranches. The Trust is a participant in the senior A tranche.
- Savilles Australia has valued the land at $11.4m on an 'as is' basis.
- The LVR on the senior A loan is 57%, with the entire facility being 66%.
- It was expected that development approvals would be achieved by Goldfields by 18 April 2017, This did not occur and Monark subsequently requested two (2) three month extensions. Penalty interest have been accruing on this loan
- While the facility permits capitalisation, all interest has been paid (and continues to be paid) on this loan
- Monark advise that they have not enforced their securities, but have reserved their rights on this loan on the basis of:
  - Borrower paying default interest six months in advance.
  - Full presales on the project.
  - NAB has been appointed and substantially progressed the construction loan.
  - Comfortable LVR.

Note 4. Critical accounting judgements, estimates and assumptions (continued)

b. Valuation considerations

The Trust has recorded this facility at cost based on the following:

- Interest has continued to be paid on the facility; and
- While not held directly by HHY, we understand that the underlying security of the loan is a first ranking mortgage for the benefit of syndicate members. Compared to the valuation of the land, the first ranking mortgage has an LVR of 66%, providing some comfort that HHY will be fully repaid, even in an enforcement scenario

Note 5. Operating segments

Identification of reportable operating segments

The Trust comprised the single business segment which operates solely in the business of investment management within Australia. While the Trust operates within Australia only (the geographical segment), the Trust may have asset exposures in different countries and across different industries.

Operating segment information

As the Trust operates in a single business and geographic segment, these financial statements represent the required financial information of that segment.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM') which has been identified as the Board of Directors. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 6. Financial Instruments

Capital risk management

The Trust considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

Financial risk management

The Trust's activities expose it to a variety of financial risks which is reflected in the Trust's net gains/losses: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Trust's overall risk management program focusses on ensuring compliance with the Trust's Investment Strategy and seeks to maximize the returns derived for the level of risk to which the Trust is exposed. Financial risk management is carried out by the investment management department of the Responsible Entity under policies approved by the Board of Directors of the Responsible Entity ("the Board").

The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Note 6. Financial Instruments (continued)

(a) Market risk

(i) Price risk

Price risk is the risk that the value of the Trust's investment portfolio will fluctuate as a result of changes in market prices. This risk is managed by the Responsible Entity through ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits. Market price risk analysis is conducted regularly by the investment manager on a total portfolio basis, which includes the effect of derivatives.

The Trust is exposed to equity securities and derivative securities price risk. This arises from investments held by the Trust for which prices in the future are uncertain. Investments are classified in the Consolidated Statement of Financial Position as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.
A sensitivity analysis was performed showing how the effect of a 10% increase (2016: 10%) and a 10% decrease (2016: 10%) in market prices would have increased/decreased the impact on operation profit/net assets attributable to unitholders as at 30 June 2017. The results of this analysis are disclosed in Note 6(b).

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Trust has no direct exposure to foreign currency and no sensitivity analysis was performed.

(iii) Cash flow and fair value interest rate risk

The Trust is exposed to cash flow interest rate on financial instruments with variable interest rates.

The Trust's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. The only financial assets held by the Trust subject to interest rate risk are cash and cash equivalents.

The Trust has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Trust invests and impact on the valuation of certain assets that use interest rates as input in their valuation model. Therefore, the sensitivity analysis may not fully indicate the total effect on the Trust's net assets attributable to unitholders of future movements in interest rates.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. There is no significant direct interest rate risk in the Trust as the Trust does not hold interest rate sensitive financial instruments. The interest rates on deposits at bank and on bank overdrafts are both rates referenced to RBA cash rate.
A sensitivity analysis was performed showing how the effect of a 100 basis point increase (2016: 100 basis point) and a 100 basis point decrease (2016: 100 basis point) in interest rates on cash and cash equivalents would have increased/decreased the impact on operating profit/net assets attributable to unitholders as at 30 June 2017. The results of this analysis are disclosed in Note 6(b).

Note 6. Financial Instruments (continued)

The table below summarises the Trust's exposure to interest rate risks. It includes the Trust's assets and liabilities at fair value, categorised by the earlier of contractual repricing or maturity dates.

30 June 2017	Floating interest rate	Fixed interest rate	Non interest bearing	Total
Financial assets	AUD	AUD	AUD	AUD
Cash and cash equivalents/(bank overdraft)	4,525,204	-	-	4,525,204
Receivables	-	407,739	38,814	446,553
Due from brokers – receipt for securities sold	-	-	626,711	626,711
Financial assets held at fair value through profit or loss	-	582,336	4,136,356	4,718,692
Financial liabilities				
Other creditors	-	-	(47,531)	(47,531)
Financial liabilities held at fair value through profit or loss	-	-	(480,812)	(480,812)
Other payables	-	-	(37,242)	(37,243)
Net exposure	4,525,204	990,075	4,236,296	9,751,575

30 June 2016	Floating interest rate	Fixed interest rate	Non interest bearing	Total
Financial assets	AUD	AUD	AUD	AUD
Cash and cash equivalents/(bank overdraft)	2,503,189	-	-	2,503,189
Receivables	-	-	493,711	493,711
Due from brokers – receipt for securities sold	-	-	-	-
Financial assets held at fair value through profit or loss	-	141,000	9,680,728	9,821,728
Financial liabilities				
Other creditors	-	-	(38,366)	(38,366)
Financial liabilities held at fair value through profit or loss	-	-	(556,320)	(556,320)
Other payables	-	-	(11,143)	(11,143)
Net exposure	2,503,189	141,000	9,568,610	12,212,799

Note 6. Financial Instruments (continued)

(b) Price risk and Interest rate risk

The following table summarises the sensitivity of the Trust's operating profit and net assets attributable to unitholders to the price risk and interest rate risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, foreign exchange rates and historical market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Trust invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Price Risk		Interest Rate Risk	
	Impact on operating profit/net assets attributable to unitholders			
	-10% $	+10% $	-100 bps $	+100 bps $
30 June 2017	(365,554)	365,554	(55,153)	55,153
30 June 2016	(926,541)	926,541	(25,032)	25,032

In determining the impact of an increase/decrease in net assets attributable to unitholders arising from market risk, the Responsible Entity has considered prior period and expected future movements of the portfolio information in order to determine a reasonably possible shift in assumptions.

(c) Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in financial loss to the Trust.

The Trust manages credit risk of loans and receivables by monitoring the balances throughout the year. At 30 June 2017, the Trust had credit exposure with loans totaling a nominal value of $407,739 (2016: 414,875) from loans and receivables with Monark Residential Capital Pty Ltd.

The Trust manages credit risk of unlisted convertible securities by monitoring the balances throughout the year. At 30 June 2017, the Trust had credit exposure of unlisted convertible securities totaling $582,336 (2016: $141,000) with Just Kapital Limited and FastTrack Pty Ltd.

The Trust has a prime brokerage agreement with Interactive Brokers, the Trust's prime broker, and some of the Trust's assets will be pledged as collateral for amounts drawn under the overdraft facility. There was no overdraft position as at 30 June 2017 (2016: nil).

Certain assets of the Trust will be held by the Custodian in segregated accounts together with assets deposited by it on behalf of other customers of the Custodian or Prime Broker. Such assets will not be mixed with the property of the Custodian or the Prime Broker and should not be available to third party creditors of the Custodian or Prime Broker in the event of insolvency of the Custodian or Prime Broker (as the case may be). However, the assets of the Trust held by a Custodian will be subject to a charge to secure the Trust's obligations to the Prime Broker.

The Trust has a material credit risk exposure to the banks (Westpac and Interactive Brokers) that hold the Trust's cash assets at 30 June 2017.

Note 6. Financial Instruments (continued)

An analysis of exposure by rating is set out in the table below:

	2017 $	2016 $
Rating		
AA (ANZ and Westpac Bank)	2,783,358	643,651
BBB (Interactive Broker)	1,741,846	1,859,538
Total	4,525,204	2,503,189

(i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of BBB or higher.
In accordance with the Trust's Constitution, the investment manager monitors the Trust's credit position of a daily basis, and the Board of Directors reviews it on a quarterly basis.

(iii) Other

The Trust is not materially exposed to credit risk on other financial assets.
The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

(d) Liquidity risk

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

The Trust is exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives. It therefore primarily holds investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

The majority of the Trust's listed securities are considered readily realisable, as they are listed on the Australian Securities Exchange.

Derivatives may also be used to improve the efficiency of implementing the investment strategy. Derivatives will only be held for a short period of time. The investment manager may not use derivatives or borrowings to gear the portfolio.

In order to manage the Trust's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders. Units are redeemed on demand at the unitholder's option. However, the Board does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

Note 6. Financial Instruments (continued)

The table below analyses the Trust's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows.

30 June 2017	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
Liabilities					
Other creditors	47,531	-	-	-	47,531
Financial liabilities held at fair value through profit or loss	480,812	-	-	-	480,812
Other payables	37,243	-	-	-	37,243
Net assets attributable to unitholders	-	9,751,575	-	-	9,751,575
Contractual cash flows (excluding gross settled derivatives)	565,586	9,751,575	-	-	10,317,161

30 June 2016	Less than 1 month	1-6 months	6-12 months	1-2 years	Total
Liabilities					
Other creditors	38,366	-	-	-	38,366
Financial liabilities held at fair value through profit or loss	556,320	-	-	-	556,320
Other payables	11,143	-	-	-	11,143
Net assets attributable to unitholders	12,212,799	-	-	-	12,212,799
Contractual cash flows (excluding gross settled derivatives)	12,818,628	-	-	-	12,818,628

Note 7. 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.

Note 7. Fair value measurement (continued)

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.

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.

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

30 June 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	4,136,357	-	-	4,136,357
Unlisted convertible securities	-	-	582,336	582,336
Total financial assets	4,136,357	-	582,336	4,718,692
Financial liabilities				
Financial liabilities designated at fair value through profit or loss:				
Listed equity securities sold short	480,812	-	-	480,812
Total financial liabilities	480,812	-	-	480,812

Note 7. Fair value measurement (continued)

30 June 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	9,680,728	-	-	9,680,728
Unlisted convertible securities	-	141,000	-	141,000
Total financial assets	9,680,728	141,000	-	9,821,728
Financial liabilities				
Financial liabilities designated at fair value through profit or loss:				
Listed equity securities sold short	556,320	-	-	556,320
Total financial liabilities	556,320	-	-	556,320

Transfers between levels

There were no transfers between levels during the financial year (2016: Nil).

Fair value measurement using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the year ended 30 June 2017 by class of financial instrument.

	2017 $	2016 $
Opening balance	-	-
Purchase	550,000	-
Transfers into/(out) from level 3	-	-
Interest income recognised in profit or loss	58,518	-
Interest income received	(26,182)	-
Closing balance	582,336	-

Valuation techniques for fair value measurements

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of unlisted convertible securities is calculated as the present value of estimated future cash flows (discounted cash flow approach)

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assume that the transaction will take place either: in the principal market; or in the absence of a principal market; in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 7. Fair value measurement (continued)

Assets and liabilities measured at fair value are classified into three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison where applicable, with external sources of data.

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 30 June 2017 and 30 June 2016 are shown in the following table:

Investment	Valuation Technique	Significant unobservable inputs	Range of inputs	Sensitivity of the input to fair value
Just Kapital Limited Convertible Notes	Accumulation method	Principal plus accrued interest. Discounted coupon rate.	2017: 9.5% to 13.5% 2016: n/a	2% (2016: nil) increase / (decrease) in the range of coupon rates used would result in an increase / (decrease) of $6,316/ ($6,160) (2016: nil)
FastTrack Pty Limited Convertible Notes	Accumulation method	Principal plus accrued interest. Discounted coupon rate.	2017: 11.7% to 15.7% 2016: n/a	2% (2016: nil) increase / (decrease) in the range of coupon rates used would result in an increase / (decrease) of $10,152/ ($9,224) (2016: nil)

Note 8. Cash and cash equivalents

	2017 $	2016 $
Cash at bank	4,525,204	2,503,189
Total cash and cash equivalents	4,525,204	2,503,189

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the Statement of Financial Position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities in the Statement of Cash Flows, as movements in the fair value of these securities represent the Trust's main income generating activity.

Note 9. Receivables

	2017 $	2016 $
Loan receivables – Monark Residential Capital Pty Ltd	407,739	414,875
Other receivables	38,814	78,836
Total receivables	446,553	493,711

Accounting policy for receivables
Loan receivables are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss

Other receivables may include amounts for dividends, interest, trust distributions and securities sold where settlement has not yet occurred. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment. Amounts are generally due for settlement within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Analysis of financial assets past due at balance sheet date but not impaired

The following financial assets were past due but not impaired at reporting date:

Ageing of loan receivables past due but not impaired:

	2017 $	2016 $
30-60 days	400,000	-
Total	400,000	-

Notes to Financial Statements

Note 10. Financial assets held at fair value through profit or loss

	2017 $	2016 $
Designated at fair value through profit or loss		
Australian listed equity securities	3,260,212	9,218,769
International equity securities	876,144	461,959
Unlisted convertible notes	582,336	141,000
Total designated at fair value through profit or loss	4,718,692	9,821,728
Total financial assets held at fair value through profit or loss	4,718,692	9,821,728

An overview of the risk exposure relating to financial assets held at fair value through profit or loss is included in Note 6.

Note 11. Financial liabilities held at fair value through to profit or loss

	2017 $	2016 $
Designated at fair value through profit or loss		
Australian listed equity securities sold short	251,241	556,320
International equity securities sold short	229,571	-
Total designated at fair value through profit or loss	480,812	556,320
Total financial liabilities held at fair value through profit or loss	480,812	556,320

An overview of the risk exposure relating to financial liabilities held at fair value through profit or loss is included in Note 6.

Note 12. Net assets attributable to unitholders

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

	2017 No.	2016 No.	2017 $	2016 $
Opening balance	95,408,193	103,070,369	12,212,799	11,320,223
Buy backs	(9,824,756)	(7,662,176)	(1,188,107)	(764,086)
Buy backs unsettled	-	-	-	(10,911)
Increase/(decrease) in net assets attributable to unitholders	-	-	(1,273,118)	1,667,573
Closing balance	85,583,437	95,408,193	9,751,575	12,212,799

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 13. Expenses

(a) Other operating expenses

	2017 $	2016 $
Hastings financial preparation 2015	-	50,000
Hastings other expenses	-	15,000
IRESS/ASX fees	46,879	15,000
Bank fees	4,305	4,574
Registry fees	99,069	62,504
Insurance	-	20,000
Compliance costs	-	12,000
Interest expense	7,231	-
Stock loan fees	9,843	-
Legal fees	10,424	-
Other expenses	85,048	34,724
Total other operating expenses	262,799	213,802

(b) Takeover costs

	2017 $	2016 $
Takeover costs	187,184	-
Total takeover costs	187,184	-

The Trust incurred certain costs in relation to the takeover offer for HHY, including legal and independent expert advice.

(c) Unitholder meeting costs

	2017 $	2016 $
Unitholder meeting costs	35,719	-
Total unitholder meeting costs	35,719	-

The Trust incurred legal costs in relation to the general meeting called by Wilson Asset Management (International) Limited.

Note 14. Remuneration of auditors

During the financial year, the following fees were paid or payable by the Trust for services provided by the auditor of the Trust. The auditor of the Trust is Deloitte Touche Tohmatsu (2016: PriceWaterhouseCoopers).

	2017 $	2016 $
Audit and other assurance services		
Audit and review of financial statements	20,400	48,770
Audit of compliance plan	5,100	15,000
Total remuneration for audit and other assurance services	25,500	63,770
Taxation services		
Tax review of bidder statement	31,120	-
Tax compliance services	18,050	-
Total remuneration for tax services	49,170	-
Total remuneration of auditors	74,670	63,770

Note 15. Related party transactions

Responsible Entity

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

Key management personnel unitholdings

No key management personnel of HHY Fund held 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.

Related party unitholdings

Parties related to the Trust including the Responsible Entity, its affiliates and other schemes managed by the Responsible Entity held units in the Trust as follows:

30 June 2017	No. of units held opening	No. of units held closing	Fair value of investment	Interest held	No. of units acquired	No. of units disposed	Distributions paid/payable by the Trust
Keybridge Capital Limited	**22,646,973**	**22,646,973**	**$2,584,020**	**26.46%**	**-**	**-**	**-**
30 June 2016							
Keybridge Capital Limited	20,646,973	22,646,973	$2,919,195	20.00%	2,000,000	-	-

Note 15. 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 Aurora Dividend Income Trust.

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; 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 $499,341 (2016: $986,770).

Investments

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

Responsible entity's/manager's fees and other transactions

Under the terms of the Trust Constitution, the Responsible Entity is entitled to receive fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Trust as follows:

- Management fee payable to the Keybridge Capital Limited is 0.75% (including GST, net of RITC) per annum;
- Responsible Entity fee payable to the Responsible Entity is $100,000 (excluding GST) per annum;
- Reimbursement of expenses.

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

	2017 $	2016 $
Responsible entity fees for the year paid/payable by the Trust to the Responsible Entity	100,000	100,000
Aggregate amount payable to the Responsible Entity for responsible entity fees at the end of the reporting period	15,914	26,243

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

Note 15. Related party transactions (continued)

The transactions during the year and amounts payable at year end between the Trust and the Investment Manager were as follows:

	2017 $	2016 $
Management fees for the year paid/payable by the Trust to the Investment Manager	75,331	75,544
Aggregate amount payable to the Investment Manager for management fees at the end of the reporting period	17,877	-

Note 16. Reconciliation of profit to net cash inflow/(outflow) from operating activities

	2017 $	2016 $
(a) Reconciliation of (loss)/profit to net cash inflow from operating activities		
Profit/(loss) for the year	-	-
(Decrease)/increase in net assets attributable to unitholders	(1,273,118)	1,667,573
Distribution to unitholders	-	-
Proceeds from sale of financial instruments held at fair value through profit or loss	4,314,649	6,759,643
Purchase of financial instruments held at fair value through profit or loss	(746,134)	(14,338,962)
Net foreign currency (gains)/losses	(18,228)	-
Net losses/(gains) on financial instruments held at fair value through profit or loss	850,531	(1,688,556)
Net change in receivables	47,158	(488,499)
Net change in other creditors	9,165	-
Net change in other payables	26,099	(255,057)
Net cash inflow/(outflow) from operating activities	3,210,122	(8,343,858)

	2017 $	2016 $
(b) Non-cash financing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	-	-

Note 17. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 3:

Name	Principal place of business/ Country of incorporation	Ownership interest 2017 %	2016 %
HHY International Holdings 1 Pty Ltd	Australia	100.00%	100.00%

Note 18. Parent entity information

	2017 $	2016 $
(a) Statement of Financial Position		
Total assets	10,317,160	12,818,628
Total liabilities	(565,585)	(605,829)
Net assets attributable to unitholders	9,751,575	12,212,799
(a) Statement of Comprehensive Income		
Operating profit/(loss) before finance costs attributable to unitholders	-	-
Profit for the year	-	-
Total comprehensive income for the year	-	-

Note 19. Events after the reporting period

Other than the events mentioned in the Directors' Report, 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 Statement of Financial Position as at 30 June 2017 or on the results and cash flows of the Trust for the year ended on that date.

Note 20. Commitments

There were no commitments for the expenditure as at 30 June 2017 (2016: Nil).

Note 21. Contingent assets and liabilities

There were no contingent assets and liabilities as at 30 June 2017 (2016: Nil).

Directors' 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 financial statements;

(c) In the directors' opinion, the attached 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 and performance of the Trust; 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 Director
27 September 2017

Deloitte.

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Independent Auditor's Report to the Unitholders of HHY Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of HHY Fund (the "Trust") and the entities it controlled which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Trust's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Valuation and existence of financial assets and financial liabilities held at fair value through profit or loss	Our procedures included, but were not limited to: • Assessing management's estimations and judgements adopted and compliance with applicable accounting standards,

Deloitte.

As at 30 June 2017, the Trust's financial assets and financial liabilities held at fair value through profit or loss amounted to $4.72 million and $0.48 million respectively as disclosed in Notes 10 and 11. Significant judgement is involved in estimating the fair value of the unlisted convertible notes as these financial assets were classified as 'level 3' financial assets where values are derived from unobservable inputs.	• Assessing the key assumptions in fair value, including management's calculations based on ASX-listed quoted prices; • Assessing the key assumptions in fair value of "level 3" financial assets, including engaging internal valuation specialists to assist in reviewing conversion features and credit spread; and • Assessing the appropriateness of the disclosures in Notes 4, 7 and 10 to the financial statements.
Allowance for impairment losses – loan receivables As at 30 June 2017 the carrying value of loan receivable totals $407,739, net of allowances for impairment losses of $nil as disclosed in Note 9. The assessment of the recoverable value of the receivable requires significant judgement in respect of assumptions such as making an estimate on interest and principal repayments and the recoverability of the receivable, on a specific basis.	Our procedures included, but were not limited to: • Challenging the assumptions and methodology used to determine the specific allowance; • Evaluating recoverability of the receivable based on expected future cash inflows, such as estimate on interest and principal repayment from loan; • Assessing any collateral held and the Loan to Value ratio; and • Assessing the appropriateness of the disclosures in Note 9 to the financial statements.

Other Information

The directors of the Responsible Entity (the "Directors") are responsible for the other information. The other information comprises the information included in the Trust's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Declan O'Callaghan

Declan O'Callaghan
Partner
Chartered Accountants
Sydney, 27 September 2017

Additional Information

The additional information required by Australian Stock Exchange Limited Listing Rules and not disclosed anywhere in the report.

Investments

Acorn Capital Investment Fund Limited

Air Products and Chemicals Inc

Antares Energy Limited Convertible Notes

APAC Resources Limited

Chipotle Mexican Grill Inc

Copper Strike Limited

Elanor Investors Group

FastTrack Pty Limited Convertible Notes

Global Investments Limited

Herbalife Limited

Howard Hughes Corporation

Just Kapital Limited Convertible Notes

Metgasco Limited

Mondelez International Inc

NAOS Absolute Opportunities Company Limited

Nomad Foods LimitedOMAD FOODS LIMITED

Pershing Square Holdings Limited

Platform Specialty Products Corporations

Restaurant Brands International Inc

Stamford Land Corporation Limited

Syrah Resources Limited

US Residential Fund

Target Asset Allocation

Asset allocation ranges are as follows:

Cash and cash equivalents	0-100%
Australian and international loans and hybrid securities	0-100%
Australian and international listed equities	0-100%
Australian and international unlisted securities	0-100%

Additional Information

Investment strategy

The Scheme aims to achieve an income return, whilst seeking to preserve the capital of the Scheme over both rising and falling equity markets.

The Manager may invest in:

1. Common stock, preferred stock, preference shares, warrants or rights to subscribe to or purchase such securities or other equity instruments in relation to entities that are listed on the ASX, NZX and other foreign exchanges defined below;
2. Derivative instruments including futures and options listed on the ASX, NZX and Sydney Futures Exchange.
3. Listed and unlisted securities issued by Australian and international entities, options, convertible securities, and other derivative securities;
4. Listed and unlisted managed investment schemes;
5. Cash and other short dated securities of a maximum duration of twelve months, which includes cash on deposit with the Custodian, clearer and Bank Bills with an Australian domiciled and regulated bank.
6. A deposit account(s) with a regulated bank(s).

Investment Transactions

The total number of trades for the HHY Fund for the year was 153.

The total brokerage paid on these trades was $5,933.

Unitholder Information

The unitholder information set out below was applicable as at 25 August 2017.

Distribution of holdings

	Total holders	Units	Percentage of issued units
1 – 1,000	115	34,653	0.04
1,001 – 5,000	232	734,943	0.86
5,001 – 10,000	225	1,768,087	2.07
10,001 – 100,000	504	15,032,871	17.57
100,001 and over	49	68,012,883	79.47
Total	1,125	85,583,437	100.00

The names of the twenty largest unitholders of ordinary units are listed below:

		Number of units held	Percentage of issued units
1	KEYBRIDGE CAPITAL LIMITED	23,963,729	28.00
2	RBC INVESTORS SERVICES AUSTRALIA NOMINEES PTY LTD	21,583,404	25.22
3	JOHN BRIDGEMAN LIMITED	2,884,033	3.37
4	LOG CREEK PTY LTD	2,334,243	2.73
5	WONFAIR INVESTMENTS PTY LTD	1,625,000	1.90
6	LIC INVESTMENTS PTY LTD	1,171,986	1.37
7	PW AND VJ COOPER PTY LTD	1,063,708	1.24
8	SOLANO INVESTMENT LLC	1,000,000	1.17
9	SAXON ACQUISITIONS PTY LTD	981,500	1.15
10	CSALT SUPER PTY LTD	807,379	0.94
11	FORSYTH BARR CUSTODIANS LTD	564,039	0.66
12	KOKONG HOLDGINS PTY LIMITED	561,500	0.66
13	MR CHOR LENG TAN	500,000	0.58
14	MR GENNARINO BATOLOMEO + MRS ANNA MARIA BARTOLOMEIO	500,000	0.58
15	A & G SICILIANO SUPERANNUATION PTY LTD	500,000	0.58
16	DR THOMAS TODD JOHNS + MRS SHEILA PHELPS JOHNS	500,000	0.58
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	479,174	0.56
18	NAMBIA PTY LTD	474,000	0.55
19	MRS ROGER HEARNDEN	420,000	0.49
20	RICHARD SEVILLE AND ASSOCIATES PTY LTD	414,707	0.48
	Total held by top twenty holders	61,968,907	72.41

Substantial holders

The substantial shareholders of the Trust as at xx August 2017 are listed below:

Unitholder	Number of units	Percentage of issued units
Keybridge Capital Limited	23,963,729	28.00
Total	23,963,729	28.00

Corporate Directory

Directors of Responsible Entity	John Patton - *Managing Director* Betty Poon - *Executive Director* Jeffrey Schwarz – *Non-Executive Director*
Company Secretary	Betty Poon
Registered Office	Suite 613, Level 6, No 370 St Kilda Road Melbourne, VIC 3004
Share Register	Registry Direct Level 6, 2 Russell Street Melbourne, VIC 3000
Auditor and Taxation Advisor	Deloitte Touche Tohmatsu Grosvenor Place 225 George Street Sydney, NSW 2000
Solicitors	Norton Gledhill Level 23, 459 Collins Street Melbourne, VIC 3000
Stock Exchange Listing	HHY Fund units are listed on the Australian Securities Exchange (ASX code: HHY)
Website:	www.aurorafunds.com.au
Corporate governance statement	Aurora Funds Management's Corporate Governance Statement can be found on its website: http://www.aurorafunds.com.au/wp-content/uploads/Corporate-Governance-Statement.pdf