

Forager Australian Shares Fund

ARSN 139 641 491

Appendix 4D

Half-Year Report

For the half-year ended 31 December 2018

Half-year report

This half-year report is for the reporting period from 1 July 2018 to 31 December 2018. The previous corresponding half-year period was from 1 July 2017 to 31 December 2017.

Results for announcement to the market

	31 December 2018 \$'000	31 December 2017 \$'000	Percentage increase/ (decrease) over corresponding period
Total net investment income/(loss)	(29,737)	17,090	(274.00%)
Operating profit/(loss)	(30,896)	14,972	(306.36%)

Brief explanation of results

The operating loss for the period to 31 December 2018 of \$30,896,000 represented a large decrease from the \$14,972,000 operating profit in the period to 31 December 2017. Both the decrease in revenue and net profit in the period to 31 December 2018 were a function of the decrease in the average net tangible assets of the Fund compared to the period to 31 December 2017. Net portfolio performance for the period of (17.1%) was substantially lower to the 9.5% return for the previous corresponding period.

Distribution information

No distributions relating to the period were paid or are payable.

Net tangible assets

	31 December 2018	31 December 2017
Net tangible assets per security	\$1.3395	\$1.8806

Note that the Fund paid a distribution of 21.29 cents per unit in July 2018 for the period ended 30 June 2018 which is reflected in the net tangible assets per security at 31 December 2018.

Other information

There was no gain or loss of control of entities during the current period.

The Fund does not have associates or joint venture entities.

The Fund is not a foreign entity.

Review

This report is based on accounts which have been reviewed by the Fund's Auditors - Ernst & Young.

The report is not subject to review qualification.

Forager Australian Shares Fund

ARSN 139 641 491

Interim report

For the half-year ended 31 December 2018

Forager Australian Shares Fund

ARSN 139 641 491

Interim report

For the half-year ended 31 December 2018

Contents	Page
Directors' Report	2
Auditor's Independence Declaration	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	16
Independent Auditor's Review Report to the Unitholders of Forager Australian Shares Fund	17

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the annual report for the period ended 30 June 2018 and any public announcements made in respect of Forager Australian Shares Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim report covers Forager Australian Shares Fund as an individual entity.

The Responsible Entity of Forager Australian Shares Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150).

The Responsible Entity's registered office is:

Level 18
123 Pitt Street
Sydney, NSW 2000.

Forager Australian Shares Fund
Directors' Report
For the half-year ended 31 December 2018

Directors' Report

The Directors of The Trust Company (RE Services) Limited (part of Perpetual Limited) (ABN 45 003 278 831, AFSL 235150), the Responsible Entity of Forager Australian Shares Fund ("FOR"), present their report together with the interim financial statements of Forager Australian Shares Fund (the "Fund") for the half-year ended 31 December 2018.

Forager Funds Management Pty Ltd (ABN 78 138 351 345, AFSL 459312) is the Investment Manager of FOR.

The financial report has been prepared for the Forager Australian Shares Fund as it is a disclosing entity under the *Corporations Act 2001*.

Directors

The following persons held office as Directors of The Trust Company (RE Services) Limited during the half-year or since the end of the half-year and up to the date of this report:

Glenn Foster

Christopher Green (resigned 17 October 2018)

Michael Vainauskas

Andrew McIver (Alternate Director for Michael Vainauskas)

Vicki Riggio

Gillian Larkins (Alternate Director for Glenn Foster) (resigned 12 October 2018)

Phillip Blackmore (Alternate Director for Christopher Green and Vicki Riggio) (appointed 6 July 2018)

Phillip Blackmore (Alternate Director for Christopher Green) (resigned 17 October 2018)

Richard McCarthy (appointed 17 October 2018)

Directors were in office for this entire period except where stated otherwise.

Principal activities

The Fund invests predominantly in securities listed on the ASX and investments that are likely to be listed on the ASX in the future and Australian denominated cash. The Fund's goal is to produce superior long-term returns from a select number of underlying investments, irrespective of short term price movements.

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

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

Review and results of operations

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

A non-renounceable rights issue offer to existing unitholders of the Fund of 1 new unit at an issue price of \$1.58 for every 6 units held was made on 30 August 2018. A total of \$23,265,000 was raised under this offer with 14,724,513 new units issued to unitholders. The Fund completed the acquisition of the Forager Wholesale Value Fund's portfolio on 28 September 2018, a Fund which Forager Funds Management Pty Limited had resigned as Investment Manager, and which was terminated at this time.

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

	Half-year ended	
	31 December 2018	31 December 2017
Operating profit/(loss) for the half-year (\$'000)	(30,896)	14,972

No distributions relating to the period were paid or are payable.

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund during half-year ended 31 December 2018.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect:

- the operations of the Fund in future financial period, or
- the results of those operations in future financial period, or
- the state of affairs of the Fund in future financial period.

Rounding of amounts to the nearest thousand dollars

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument 2016/191 Class Order, unless otherwise indicated otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



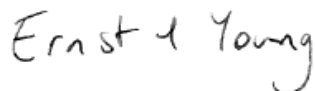
Director

Sydney
21 February 2019

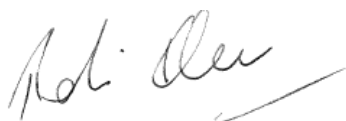
Auditor's Independence Declaration to the Directors' of The Trust Company (RE Services) Ltd

As lead auditor for the review of the half-year financial report of Forager Australian Shares Fund for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

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



Ernst & Young



Rohit Khanna
Partner
21 February 2019

Forager Australian Shares Fund
Statement of Comprehensive Income
For the half-year ended 31 December 2018

Statement of Comprehensive Income

		Half-year ended	
		31 December	31 December
		2018	2017
	Notes	\$'000	\$'000
Investment income			
Interest income		311	251
Dividend and distribution income		915	1,752
Net gains/(losses) on financial instruments at fair value through profit or loss	4	(31,269)	14,657
Expense reimbursement income		306	252
Other operating income		-	178
Total net investment income/(loss)		(29,737)	17,090
Expenses			
Responsible Entity's fees		79	74
Management fees		800	794
Performance fees		-	982
Administration fees		72	67
Custody fees		17	17
Remuneration of auditors	8	17	16
Transaction costs		12	46
Other operating expenses		162	122
Total operating expenses		1,159	2,118
Operating profit/(loss) for the half-year		(30,896)	14,972
Finance costs attributable to unitholders			
(Increase)/decrease in net assets attributable to unitholders	6	-	(14,972)
Profit/(loss) for the half-year		(30,896)	-
Other comprehensive income			
		-	-
Total comprehensive income/(loss) for the half-year		(30,896)	-
		Cents	Cents
Earnings/(loss) per unit for profit attributable to unitholders of the Fund			
Basic earnings/(loss) per unit	9	(29.25)	16.50
Diluted earnings/(loss) per unit	9	(29.25)	16.50

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Forager Australian Shares Fund
Statement of Financial Position
As at 31 December 2018

Statement of Financial Position

	As at	
	31 December	30 June
	2018	2018
Notes	\$'000	\$'000
Assets		
Cash and cash equivalents	39,308	43,139
Receivables	259	175
Due from brokers - receivable for securities sold	40	-
Financial assets at fair value through profit or loss	113,256	123,768
Other assets	30	-
Total assets	152,893	167,082
Liabilities		
Payables	408	390
Distributions payable	-	19,416
Due to brokers - payable for securities purchased	31	-
Total liabilities	439	19,806
Net assets attributable to unitholders - equity	152,454	147,276

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

Forager Australian Shares Fund
Statement of Changes in Equity
For the half-year ended 31 December 2018

Statement of Changes in Equity

	Half-year ended	
	31 December	31 December
	2018	2017
	\$'000	\$'000
Total equity at the beginning of the half-year	147,276	-
Comprehensive income for the half-year		
Profit/(loss) for the half-year	(30,896)	-
Other comprehensive income	-	-
Total comprehensive income	(30,896)	-
Transactions with unitholders		
Applications	23,265	-
Reinvestment of distributions	12,809	-
Total transactions with unitholders	36,074	-
Total equity at the end of the half-year*	152,454	-

* As at 30 June 2018, the Fund's units have been reclassified from financial liability to equity.

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

Forager Australian Shares Fund
Statement of Cash Flows
For the half-year ended 31 December 2018

Statement of Cash Flows

	Half-year ended	
	31 December 2018	31 December 2017
	\$'000	\$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	5,203	51,427
Purchase of financial instruments at fair value through profit or loss	(25,736)	(28,252)
Interest income received	315	278
Dividends and distributions received	682	1,555
Expense reimbursement fees received	222	-
Other operating income received	-	178
Responsible Entity's fees paid	(37)	(71)
Management fees paid	(806)	(797)
Performance fees paid	-	(1,730)
Transaction costs paid	(10)	-
Other operating expenses paid	(322)	(19)
Net cash inflow/(outflow) from operating activities	(20,489)	22,569
Cash flows from financing activities		
Proceeds from applications by unitholders	23,265	-
Distributions paid	(6,607)	(3,709)
Net cash inflow/(outflow) from financing activities	16,658	(3,709)
Net increase/(decrease) in cash and cash equivalents	(3,831)	18,860
Cash and cash equivalents at the beginning of the half-year	43,139	29,692
Cash and cash equivalents at the end of the half-year	39,308	48,552
Non-cash financing activities		
Issue of units under the distributions reinvestment plan	12,809	6,090

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

Notes to the Financial Statements

Contents

	Page
1 General information	10
2 Basis of preparation	10
3 Fair value measurement	11
4 Net gains/(losses) on financial instruments at fair value through profit or loss	13
5 Financial assets at fair value through profit or loss	13
6 Net assets attributable to unitholders	13
7 Distributions to unitholders	14
8 Remuneration of auditors	14
9 Earnings/(loss) per unit	15
10 Segment information	15
11 Events occurring after the reporting period	15
12 Contingent assets and liabilities and commitments	15

1 General information

These interim financial statements cover Forager Australian Shares Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed scheme under the *Corporations Act 2001*, was constituted on 22 September 2009 and admitted to the Australian Stock Exchange ("ASX") on 14 December 2016.

The Responsible Entity of the Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) (the "Responsible Entity"). The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney, NSW 2000. The Responsible Entity is incorporated and domiciled in Australia.

The interim financial statements are for the half-year ended 31 December 2018. The interim financial statements are presented in Australian dollars.

The interim financial statements were authorised for issue by the Directors of the Responsible Entity on the date the Directors' Declaration was signed. The Directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

These interim financial statements do not include full note disclosures of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the 30 June 2018 annual financial statements.

2 Basis of preparation

The interim financial statements have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2018 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(a) Significant accounting policies

Except as disclosed below, the accounting policies in these interim financial statements are the same as those applied in the Fund's financial statements for the year ended 30 June 2018.

The Fund had to change some of its accounting policies as a result of new and revised accounting standards which became effective for the first time in the current reporting period. The affected policies are:

- AASB 9 *Financial Instruments* (and applicable amendments)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The adoption of the amendment does not have a significant impact on the recognition, classification and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules does not have a material impact on the Fund. The adoption of AASB 9 does not have a significant impact on the Fund's accounting policies or the amounts recognised in the interim financial statements.

2 Basis of preparation (continued)

(a) Significant accounting policies (continued)

- AASB 15 *Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends and distributions, and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Fund's accounting policies or the amounts recognised in the interim financial statements.

(b) Financial instruments

(i) Classification

- Financial assets

The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

The Fund has assessed the classification of financial instruments as at the date of initial application and has applied such classification retrospectively. Based on that assessment all financial assets previously held at fair value continue to be measured at fair value.

The Fund holds equity securities of \$113,256,000 (2018: \$123,768,000) which had previously been designated at fair value through profit or loss. On adoption of AASB 9 these securities are classified as fair value through profit or loss.

Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

3 Fair value measurement

The Fund measures and recognises financial assets at fair value through profit or loss on a recurring basis.

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting half-year.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

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

The fair value of financial assets traded in active markets (such as publicly traded derivatives and listed equity securities) is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

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.

3 Fair value measurement (continued)

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

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

Investments in other unlisted unit trusts are recorded at the redemption value per unit net of discount rate applied as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as: liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

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 Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

(iii) Recognised fair value measurements

The following table presents the Fund's financial assets measured and recognised at fair value as at 31 December 2018 and 30 June 2018.

At 31 December 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Listed equity securities	113,254	-	-	113,254
Unlisted equity securities and unit trusts	-	-	2	2
Total financial assets at fair value through profit or loss	113,254	-	2	113,256
 At 30 June 2018				
Financial assets at fair value through profit or loss				
Listed equity securities	123,742	-	-	123,742
Unlisted equity securities and unit trusts	-	-	26	26
Total financial assets at fair value through profit or loss	123,742	-	26	123,768

(iv) Transfers between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels for recurring fair value measurements during the half-year (30 June 2018: nil).

(v) Financial instruments not carried at fair value

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

Net assets attributable to unitholders' carrying value does not differ from its fair value (deemed to be redemption price for individual units) due to no differences in valuation inputs.

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

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

	Half-year ended	
	31 December 2018	31 December 2017
	\$'000	\$'000
Financial assets		
Net realised gain/(loss) on financial assets at fair value through profit or loss	1,297	14,127
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	(32,566)	530
Net gains/(losses) on financial assets at fair value through profit or loss	(31,269)	14,657
Total net gains/(losses) on financial instruments at fair value through profit or loss	(31,269)	14,657

5 Financial assets at fair value through profit or loss

	As at	
	31 December 2018	30 June 2018
	\$'000	\$'000
Listed equity securities	113,254	123,742
Unlisted equity securities and unit trusts	2	26
Total financial assets at fair value through profit or loss	113,256	123,768

An overview of the fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 to the interim financial statements.

6 Net assets attributable to unitholders

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Prior to 30 June 2018, the Fund classified its net assets attributable to unitholders as liabilities in accordance with AASB 132. On 30 June 2018, the Fund has elected into the AMIT tax regime. The Fund's Constitution has been amended and it no longer has a contractual obligation to pay distributions to unitholders. Therefore the net assets attributable to unitholders of the Fund meet the criteria set out under AASB 132 and are classified as equity from 30 June 2018 onwards.

As a result of the reclassification of net assets attributable to unitholders from liabilities to equity, the Fund's distributions are no longer classified as finance costs in the Statement of Comprehensive Income, but rather as dividends paid in the Statement of Changes in Equity.

6 Net assets attributable to unitholders (continued)

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

	31 December 2018	31 December 2018	30 June 2018	30 June 2018
	Units '000	\$'000	Units '000	\$'000
Opening balance	91,188	147,276	87,640	150,424
Applications	14,725	23,265	-	-
Reinvestment of distributions	7,931	12,809	3,548	6,090
Increase/(decrease) in net assets attributable to unitholders	-	-	-	(9,238)
Profit/(loss) for the half-year	-	(30,896)	-	-
Closing balance	113,844	152,454	91,188	147,276

Net assets attributable to unitholders are classified as equity at 31 December 2018 and as a financial liability at 31 December 2017.

As stipulated within the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

A non-renounceable rights issue offer to existing unitholders of the Fund of 1 new unit at an issue price of \$1.58 for every 6 units held was made on 30 August 2018. A total of \$23,265,000 was raised under this offer with 14,724,513 new units issued to unitholders.

7 Distributions to unitholders

No distributions have been paid or became payable for the half-year ended 31 December 2018 (31 December 2017: nil).

8 Remuneration of auditors

During the half-year the following fees were paid or payable for services provided by the auditor of the Fund:

	Half-year ended	
	31 December 2018	31 December 2017
	\$	\$
Ernst & Young		
<i>Audit and other assurance services</i>		
Review of financial statements	17,000	16,000
Total remuneration for audit and other assurance services	17,000	16,000

9 Earnings/(loss) per unit

Basic earnings/(loss) per unit amounts are calculated by dividing operating profit/(loss) before distributions by the weighted average number of units outstanding during the half-year.

Diluted earnings per unit are the same as basic earnings/(loss) per unit.

	Half-year ended	
	31 December	31 December
	2018	2017
Operating profit/(loss)	(30,896)	14,972
Weighted average number of units in issue ('000)	105,636	90,757
 Basic and diluted earnings/(loss) per unit in cents	 (29.25)	 16.50

10 Segment information

The Fund has only one reportable segment. The Fund operates predominantly in Australia and is engaged solely in investment activities, deriving revenue from dividend and distribution income, interest income and from the sale of its investment portfolio.

11 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as disclosed in the Statement of Financial Position as at 31 December 2018 or on the results and cash flows of the Fund for the half-year ended on that date.

12 Contingent assets and liabilities and commitments

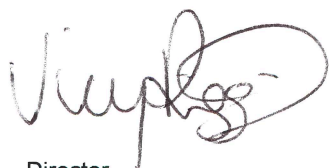
There are no contingent assets, liabilities or commitments as at 31 December 2018 and 30 June 2018.

Directors' Declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the interim financial statements and notes set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2018 and of its performance for the financial period ended on that date.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and

This declaration is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director

Sydney
21 February 2019

Independent Auditor's Review Report to the Unitholders of Forager Australian Shares Fund

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Forager Australian Shares Fund (the Fund), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Fund is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Fund's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Independence

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

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'Rohit Khanna', is written over a horizontal line.

Rohit Khanna
Partner
Sydney
21 February 2019