

**Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund**

ARSN 130 358 691

**Financial report**

**For the half-year ended 31 December 2017**

# Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund

ARSN 130 358 691

## Financial report

For the half-year ended 31 December 2017

### Contents

Directors' report	1 - 2
Auditor's independence declaration	3
Statement of comprehensive income	4
Balance sheet	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8 - 13
Directors' declaration	14
Independent auditor's report	15 - 16

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made in respect of the Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim financial report covers the Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund as an individual entity.

The Responsible Entity of the Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund is Grant Samuel Fund Services Limited (ABN 48 129 256 104).

The Responsible Entity's registered office is Level 19, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW 2000.

## Directors' report

The directors of Grant Samuel Fund Services Limited (the "Responsible Entity"), the Responsible Entity of the Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund (the "Fund"), present their report together with the financial statements of the Fund for the half-year ended 31 December 2017.

### Directors

The following persons held office as directors of Grant Samuel Fund Services Limited during the half-year or since the end of the half-year and up to the date of this report:

#### Name

Douglas James Bartlett  
Robert Niven Johanson  
Andrew Duncan McKinnon  
Damien Henry McIntyre  
Anne Forrester Ramsay

### Review and results of operations

The Fund invests in Australian equity securities, international equity securities, listed unit trusts and cash and cash equivalents. The investment policy of the Fund continues to be in accordance with the provisions of the Fund Constitution.

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

	<b>Half-year ended</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>
Operating profit before finance costs attributable to unitholders (\$'000)	<u><b>100,594</b></u>	<u>29,519</u>
<i>Distributions</i>		
Distribution paid and payable (\$'000)	<u><b>19,487</b></u>	<u>17,673</u>

### 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 that occurred during the period.

### Matters subsequent to the end of the period

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the period under review.

### Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

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

### Environmental regulation

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

## Directors' report (continued)

### Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191*, unless 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 3.

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

  
\_\_\_\_\_  
Andrew Duncan McKinnon  
Director

Sydney  
8 March 2018



## Auditor's Independence Declaration

As lead auditor for the review of Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Chris Cooper', with a horizontal line underneath.

Chris Cooper  
Partner  
PricewaterhouseCoopers

Sydney  
8 March 2018

---

**PricewaterhouseCoopers, ABN 52 780 433 757**  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)  
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124  
T: +61 2 9659 2476, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

**Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund**  
**Statement of comprehensive income**  
**For the half-year ended 31 December 2017**

**Statement of comprehensive income**

		<b>Half-year ended</b>	
		<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<i><b>Investment income</b></i>			
Dividend income		27,804	26,013
Distribution income		2,123	1,924
Net gains on financial instruments held at fair value through profit or loss		84,294	14,039
Other operating income		<u>18</u>	<u>5</u>
<i><b>Total net investment income</b></i>		<u><b>114,239</b></u>	<u><b>41,981</b></u>
<i><b>Expenses</b></i>			
Responsible Entity's fees		12,888	11,750
Transaction costs		756	697
Other operating expenses		<u>1</u>	<u>15</u>
<i><b>Total operating expenses</b></i>		<u><b>13,645</b></u>	<u><b>12,462</b></u>
<i><b>Operating profit</b></i>		<u><b>100,594</b></u>	<u><b>29,519</b></u>
<i><b>Finance costs attributable to unitholders</b></i>			
Distribution to unitholders	4	-	(17,673)
Increase in net assets attributable to unitholders		-	(11,846)
<i><b>Profit/(loss) for the half-year</b></i>		<u><b>100,594</b></u>	<u><b>-</b></u>
Other comprehensive income for the half-year		<u>-</u>	<u>-</u>
<i><b>Total comprehensive income for the half-year</b></i>		<u><b>100,594</b></u>	<u><b>-</b></u>

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

**Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund**  
**Balance sheet**  
**As at 31 December 2017**

**Balance sheet**

		As at	
		31 December 2017 \$'000	30 June 2017 \$'000
	Note		
<b>Assets</b>			
Cash and cash equivalents		69,989	51,637
Receivables		5,838	6,236
Accrued income		6,286	7,643
Financial assets held at fair value through profit or loss	5	<u>2,068,430</u>	<u>2,098,278</u>
<b>Total assets</b>		<u><b>2,150,543</b></u>	<u><b>2,163,794</b></u>
<b>Liabilities</b>			
Distribution payable	4	7,697	76,305
Payables		<u>2,223</u>	<u>2,311</u>
<b>Total liabilities (30 June 2017: excluding net assets attributable to unitholders)</b>		<u><b>9,920</b></u>	<u><b>78,616</b></u>
<b>*Net assets attributable to unitholders - Equity*</b>	3	<u><b>2,140,623</b></u>	<u><b>-</b></u>
<b>*Net assets attributable to unitholders - Liability*</b>	3	<u><b>-</b></u>	<u><b>2,085,178</b></u>

\*Net assets attributable to unitholders are classified as equity at 31 December 2017 and as a financial liability at 30 June 2017. Refer to Note 1 for further detail.

The above balance sheet should be read in conjunction with the accompanying notes.

**Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2017**

**Statement of changes in equity**

		<b>Half-year ended</b>	
		<b>31 December</b>	<b>31 December</b>
		<b>2017</b>	<b>2016</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Total equity at the beginning of the half-year</b>		-	-
Reclassification due to AMIT tax regime implementation*	3	2,085,178	-
<b>Comprehensive income for the half-year</b>			
Profit/(loss) for the half-year		100,594	-
Other comprehensive income		-	-
<b>Total comprehensive income for the half-year</b>		<u>100,594</u>	<u>-</u>
<b>Transactions with unitholders</b>			
Applications	3	290,967	-
Redemptions	3	(324,288)	-
Units issued upon reinvestment of distributions	3	6,831	-
Units issued upon reinvestment of rebates	3	828	-
Distributions paid and payable	3	<u>(19,487)</u>	<u>-</u>
<b>Total transactions with unitholders</b>		<u>(45,149)</u>	<u>-</u>
<b>Total equity at the end of the half-year*</b>	3	<u>2,140,623</u>	<u>-</u>

\* Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity. Refer note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the above statement for the half-year ended 31 December 2017.

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



**Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund**  
**Statement of cash flows**  
**For the half-year ended 31 December 2017**

**Statement of cash flows**

	<b>Half-year ended</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<i><b>Cash flows from operating activities</b></i>		
Proceeds from sale of financial instruments held at fair value through profit or loss	339,132	224,483
Purchase of financial instruments held at fair value through profit or loss	(224,557)	(263,069)
Transaction costs on purchase of financial instruments held at fair value through profit or loss	(761)	(982)
Dividends received	29,462	26,560
Distributions received	2,122	2,319
Other income received	28	5
Payment of other expenses	(12,971)	(11,476)
<i><b>Net cash inflow/(outflow) from operating activities</b></i>	<u><b>132,455</b></u>	<u><b>(22,160)</b></u>
<i><b>Cash flows from financing activities</b></i>		
Proceeds from applications by unitholders	291,795	355,344
Payments for redemptions by unitholders	(324,288)	(251,582)
Distributions paid	(81,264)	(55,836)
<i><b>Net cash (outflow)/inflow from financing activities</b></i>	<u><b>(113,757)</b></u>	<u><b>47,926</b></u>
<i><b>Net increase in cash and cash equivalents</b></i>	<b>18,698</b>	<b>25,766</b>
Cash and cash equivalents at the beginning of the half-year	51,637	46,780
Effects of foreign currency exchange rate changes on cash and cash equivalents	(346)	(336)
<i><b>Cash and cash equivalents at the end of the half-year</b></i>	<u><b>69,989</b></u>	<u><b>72,210</b></u>
Non-cash financing activities	6,831	5,802

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

## **1 Basis of preparation of interim report**

This interim general purpose financial report for the half-year ended 31 December 2017 has been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report includes financial statements for the Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund ("the Fund") as an individual entity.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 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*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The Responsible Entity of the Fund is Grant Samuel Fund Services Limited (ABN 48 129 256 104) ("the Responsible Entity"). The registered office of the Responsible Entity is Level 19, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW 2000.

### **a) New and amended standards adopted by the Fund**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that have a material impact on the Fund.

### **b) Impact of standards issued but not yet applied by the Fund**

(i) AASB 9 *Financial Instruments* (and applicable amendments), (effective from 1 January 2018)

AASB 9 *Financial Instruments* 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 standard is not applicable until 1 January 2018 but the initial application is expected in the financial year ending 30 June 2019.

The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been 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 will not impact the fund.

(ii) AASB 15 *Revenue from Contracts with Customers*, (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The new standard 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 gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

### **c) Reclassification of units from financial liability to equity**

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to allow the Fund to elect into the AMIT tax regime, the Fund's constitution has been amended and the other conditions to adopt the AMIT tax regime have been met effective 1 July 2017. The Responsible Entity is therefore no longer contractually obligated to pay distributions. Consequently the units in the Fund have been reclassified from a financial liability to equity on 1 July 2017, see note 3 for further information.

## **1 Basis of preparation of interim report (continued)**

### **d) Net assets attributable to unitholders**

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Fund. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under AASB 132 Financial instruments: Presentation:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavorable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

As at 30 June 2017, net assets attributable to unitholders are classified as a financial liability. Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity as they satisfied all the above criteria.

## **2 Fair value measurement**

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets/liabilities at fair value through profit or loss (FVTPL) (see note 5)
- Financial assets/liabilities held for trading (see note 5)

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

### *(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.

For the majority of investments, the Fund 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 Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

## **2 Fair value measurement (continued)**

### *(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 reporting date 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.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

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.

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

### **(a) Fair value hierarchy**

#### *Classification of financial assets and financial liabilities*

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

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

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

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

## 2 Fair value measurement (continued)

### (a) Fair value hierarchy (continued)

The following table presents the financial assets and liabilities measured at fair value and recognised on a recurring basis :

As at 31 December 2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets designated at fair value through profit and loss:				
Equity securities	1,972,254	-	-	1,972,254
Listed unit trusts	<u>96,176</u>	<u>-</u>	<u>-</u>	<u>96,176</u>
<b>Total</b>	<u>2,068,430</u>	<u>-</u>	<u>-</u>	<u>2,068,430</u>
As at 30 June 2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets designated at fair value through profit and loss:				
Equity securities	1,993,134	-	-	1,993,134
Listed unit trusts	<u>105,144</u>	<u>-</u>	<u>-</u>	<u>105,144</u>
<b>Total</b>	<u>2,098,278</u>	<u>-</u>	<u>-</u>	<u>2,098,278</u>

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

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

The Fund did not hold any Level 3 instruments as at 31 December 2017 (30 June 2017: Nil).

#### *Transfers between levels*

The Fund's policy is to recognise transfers out of a fair value hierarchy level as at the beginning of the reporting period.

There were no transfers between the levels in the fair value hierarchy as at 31 December 2017 (30 June 2017: Nil).

#### *Fair value of financial instruments not carried at fair value*

The carrying amounts of receivables and payables are assumed to approximate fair value. Net assets attributable to unitholders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation input. The difference is not material in the current or prior year.

**Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2017**

### 3 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 1 July 2017 the fund classified its net assets attributable to unitholders as liabilities in accordance with AASB 132. On 1 July 2017, the Fund has elected into the AMIT tax regime. The Fund's constitution has been amended on the same date 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 1 July 2017 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 cost in the statement of comprehensive income, but rather as dividends paid in the statement of changes in equity.

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

	<b>Half-year ended 31 December 2017</b>		<b>Full year ended 30 June 2017</b>	
	<b>No. '000</b>	<b>\$'000</b>	<b>No. '000</b>	<b>\$'000</b>
Opening balance*	1,629,857	2,085,178	1,471,262	1,940,440
Applications	224,746	290,967	487,314	638,889
Redemptions	(249,802)	(324,288)	(367,781)	(483,123)
Units issued upon reinvestment of distributions	5,199	6,831	38,168	49,058
Units issued upon reinvestment of rebates	639	828	894	1,169
Distributions paid and payable	-	(19,487)	-	-
Profit for the period	-	100,594	-	-
Decrease in net assets attributable to unitholders	-	-	-	(61,255)
Closing balance*	<u>1,610,639</u>	<u>2,140,623</u>	<u>1,629,857</u>	<u>2,085,178</u>

\* Net assets attributable to unitholders are classified as equity at 31 December 2017 and as a financial liability at 30 June 2017. Refer to note 1 for further details. Increase/decrease in net assets attributable to unitholders have been reclassified to profit for the period for the purposes of this note.

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

### 4 Distributions to unitholders

	<b>Half-year ended</b>			
	<b>31 December 2017</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2016</b>
	<b>\$'000</b>	<b>CPU</b>	<b>\$'000</b>	<b>CPU</b>
Distributions paid				
– 30 September	7,566	0.46	10,509	0.70
– 31 December	4,224	0.74	2,372	0.46
Distributions payable				
– 31 December	<u>7,697</u>	0.74	<u>4,792</u>	0.46
	<u>19,487</u>		<u>17,673</u>	

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

	As at	
	31 December 2017	30 June 2017
	\$'000	\$'000
<b>Designated at fair value through profit or loss</b>		
Equity securities	1,972,254	1,993,134
Listed unit trusts	<u>96,176</u>	<u>105,144</u>
Total designated at fair value through profit or loss	<u>2,068,430</u>	<u>2,098,278</u>
<b>Total financial assets held at fair value through profit or loss</b>	<u><u>2,068,430</u></u>	<u><u>2,098,278</u></u>
<b>Comprising:</b>		
<b>Equity securities</b>		
Australian equity securities listed on a prescribed stock exchange	48,171	59,655
International equity securities listed on a prescribed stock exchange	<u>1,924,083</u>	<u>1,933,479</u>
Total equity securities	<u>1,972,254</u>	<u>1,993,134</u>
<b>Listed unit trusts</b>		
International listed property trusts	<u>96,176</u>	<u>105,144</u>
Total listed unit trusts	<u>96,176</u>	<u>105,144</u>
<b>Total financial assets held at fair value through profit or loss</b>	<u><u>2,068,430</u></u>	<u><u>2,098,278</u></u>

## 6 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 disclosed in the statement of financial position as at 31 December 2017 or on the results and cash flows of the Fund for the half-year ended on that date.

## 7 Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2017 (30 June 2017: Nil).

## **Directors' declaration**

In the opinion of the directors of the responsible entity:

- (a) the financial statements and notes set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2017 and of its performance, for the half-year 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.

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



Andrew Duncan McKinnon

Director

Sydney

8 March 2018





## **Independent auditor's review report to the unitholders of Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund (the Registered Scheme), which comprises the balance sheet as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors of the Responsible Entity's declaration.

### ***Directors of the Responsible Entity's responsibility for the half-year financial report***

The directors of the Responsible Entity of the Registered Scheme 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 of the Responsible Entity 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 Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) 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*.

---

**PricewaterhouseCoopers, ABN 52 780 433 757**

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124  
T: +61 2 9659 2476, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.



### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Grant Samuel Epoch Global Equity Shareholder Yield (Unhedged) Fund is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*Chris Cooper*

Chris Cooper  
Partner

Sydney  
8 March 2018