

# **Australian Leaders Fund Limited**

ABN 64 106 845 970

## **Appendix 4D**

### **Preliminary report**

**for the half-year ended 31 December 2016**

## Half-year report

This half-year ended report is for the reporting period from 1 July 2016 to 31 December 2016. The previous corresponding half-year ended period was 1 July 2015 to 31 December 2015.

### Results for announcement to the market

Revenue from ordinary activities	Down	60%	from	55,742,599	to	22,445,836
Profit/(loss) before tax for the period	Down	85%	from	30,939,862	to	4,695,781
Profit/(loss) from ordinary activities after tax attributable to members	Down	82%	from	23,822,508	to	4,221,851

### Dividends

	Dividend Rate	Total Amount \$	Record Date	Date of Payment	Percentage Franked
2016 Final	\$0.05	\$13,493,489	11/10/2016	26/10/2016	100%
2017 Interim (payable 13/04/2017)	\$0.04	\$10,851,764	30/03/2017	13/04/2017	85%

### Net tangible assets

	31 December 2016	31 December 2015
Net tangible asset backing (per share) after tax	1.30	1.37
Net tangible asset backing (per share) before tax	1.29	1.36

### Distribution Reinvestment Plan (DRP)

The Dividend Reinvestment Plan is in operation and the recommended Interim dividend of 4 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at 3% discount to the price (calculated as the weighted average market price of shares sold on the ASX (on an ex-dividend basis) five business days from the ex-dividend date inclusive of the ex-dividend date). The final time for receipt of an election notice for participation in the Dividend Reinvestment Plan is 5pm, 31 March 2017. Shares issued under the DRP will rank equally with existing ordinary shares. The Company reserves the right to issue DRP shortfall shares at Directors' discretion.

### Further information

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2016 Annual Financial Report.

# **Australian Leaders Fund Limited**

ABN 64 106 845 970

## **Interim Report**

**for the half-year ended 31 December 2016**

**Australian Leaders Fund Limited** ABN 64 106 845 970  
**Interim Report - for the half-year ended 31 December 2016**

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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 2016 and any public announcements made by Australian Leaders Fund Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## Corporate Directory

### Directors

Justin Braitling (Chairman)  
Geoffrey Wilson (Non-Executive Director)  
John Abernethy (Non-Executive Director)  
Julian Gosse (Non-Executive Director)

### Secretary

Sophia Gartzonis

### Registered office

Level 6  
139 Macquarie Street  
Sydney NSW 2000  
Telephone: (02) 9252 0225  
Facsimile: (02) 9252 1220  
Email: [info@wffunds.com.au](mailto:info@wffunds.com.au)

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to [www.asx.com.au](http://www.asx.com.au) or call (02) 8262 2800.

### Share register

Boardroom Pty Limited  
Level 12  
225 George Street  
Sydney NSW 2000  
Telephone: (02) 9290 9600  
Facsimile: (02) 9279 0664

For enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

### Auditor

Pitcher Partners  
Level 22 MLC Centre  
19 Martin Place  
Sydney NSW 2000  
Telephone: (02) 9221 2099  
Facsimile: (02) 9223 1762

### Securities exchange

Australian Securities Exchange (ASX)  
The home exchange is Sydney  
ASX code: ALF Ordinary Shares

## **Directors' Report**

The Directors present their report together with the condensed financial report of Australian Leaders Fund Limited ("the Company") for the half-year ended 31 December 2016.

### **Directors**

The following persons held office as Directors during the period or since the end of the period and up to the date of this report:

Justin Braitling (Chairman)  
Geoffrey Wilson (Non-Executive Director)  
John Abernethy (Non-Executive Director)  
Julian Gosse (Non-Executive Director)

### **Principal activities**

The principal activity of the Company is making investments in listed companies. No change in this activity took place during the half-year period or is likely to take place in the future.

### **Review of operations**

Investment operations over the half-year ended 31 December 2016 resulted in an operating profit before tax of \$4,695,781 (2015: \$30,939,862) and an operating profit after tax of \$4,221,851 (2015: \$23,822,508).

Asset backing for each ordinary share at 31 December 2016 (calculated on market value less realisation costs and all applicable taxes and before provision for dividend) amounted to \$1.30 per share (2015: \$1.37). Asset backing after tax on realised gains but before tax on unrealised gains/losses was \$1.29 per share (2015: \$1.36).

### **Significant changes in the state of affairs**

Mr Matthew McShane resigned as Company Secretary for Australian Leaders Fund Limited, effective 9 December 2016. Following the resignation, Ms Sophia Gartzonis was appointed as Company Secretary, effective 9 December 2016.

There were no other significant changes in the state of affairs of the Company during the half-year ended 31 December 2016.

### **Rounding of amounts to nearest dollars**

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the Financial Report have been rounded to the nearest dollar.

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

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half-year is set out on page 3.

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



Justin Braitling  
Chairman

Sydney  
24 February 2017

**Auditor's Independence Declaration  
To the Directors of Australian Leaders Fund Limited  
ABN 64 106 845 970**

In relation to the independent auditor's review for the half-year ended 31 December 2016, to the best of my knowledge and belief there have been:

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

This declaration is in respect of Australian Leaders Fund Limited.



S M WHIDDETT  
Partner

PITCHER PARTNERS  
Sydney

24 February 2017

**Australian Leaders Fund Limited**  
**Statement of Comprehensive Income**  
**For the half-year ended 31 December 2016**

	<b>Half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
Notes	\$	\$
<b>Investment income from ordinary activities</b>		
Net realised gains on investments	29,521,648	43,762,040
Net unrealised (losses)/gains on investments	(16,254,970)	2,818,710
Dividends	3,887,671	4,659,472
Trust distributions	512,598	589,424
Interest	4,791,646	5,233,630
Other income	-	209,473
Net foreign exchange (losses)	(12,757)	(1,530,150)
	<b>22,445,836</b>	<b>55,742,599</b>
<b>Expenses</b>		
Management fees	(1,832,409)	(1,830,793)
Performance fees	-	(8,011,718)
Brokerage expense	(2,625,282)	(3,456,358)
Short dividend expense	(7,597,941)	(7,308,009)
Stock loan fees	(2,162,575)	(1,700,234)
Interest expense	(3,151,917)	(2,101,176)
Accounting fees	(86,499)	(73,646)
Share registry fees	(99,643)	(131,321)
Tax fees	(6,600)	(8,223)
Legal fees	-	(3,663)
Directors' fees	(45,000)	(45,000)
ASX fees	(44,262)	(50,397)
Audit fees	(27,041)	(31,532)
Other expenses	(70,886)	(50,667)
	<b>(17,750,055)</b>	<b>(24,802,737)</b>
<b>Profit before income tax</b>	<b>4,695,781</b>	<b>30,939,862</b>
Income tax (expense)	4 (473,930)	(7,117,354)
<b>Profit for the period</b>	<b>4,221,851</b>	<b>23,822,508</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>4,221,851</b>	<b>23,822,508</b>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company:</b>		
Basic earnings per share	1.56	9.17
Diluted earnings per share	1.56	9.17

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

**Australian Leaders Fund Limited**  
**Statement of Financial Position**  
**As at 31 December 2016**

		At	
	31 December	30 June	
	2016	2016	
Notes	\$	\$	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	355,222,917	404,601,997	
Trade and other receivables	5,501,149	20,657,548	
Financial assets at fair value through profit or loss	388,439,130	392,489,119	
Current tax assets	-	2,182,273	
Other current assets	64,506	25,211	
<b>Total current assets</b>	<b>749,227,702</b>	<b>819,956,148</b>	
<b>Non-current assets</b>			
Deferred tax asset	10,714,433	5,162,714	
<b>Total non-current assets</b>	<b>10,714,433</b>	<b>5,162,714</b>	
<b>Total assets</b>	<b>759,942,135</b>	<b>825,118,862</b>	
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	2,656,748	17,562,342	
Financial liabilities at fair value through profit or loss	398,779,040	445,579,593	
Current tax liabilities	4,012,145	-	
<b>Total current liabilities</b>	<b>405,447,933</b>	<b>463,141,935</b>	
<b>Non-current liabilities</b>			
Deferred tax liabilities	49,162	228,942	
<b>Total non-current liabilities</b>	<b>49,162</b>	<b>228,942</b>	
<b>Total liabilities</b>	<b>405,497,095</b>	<b>463,370,877</b>	
<b>Net assets</b>	<b>354,445,040</b>	<b>361,747,985</b>	
<b>EQUITY</b>			
Issued capital	6 355,261,585	353,292,892	
Profits reserve	9,275,404	14,599,908	
Accumulated losses	(10,091,949)	(6,144,815)	
<b>Total equity</b>	<b>354,445,040</b>	<b>361,747,985</b>	

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

**Australian Leaders Fund Limited**  
**Statement of Changes in Equity**  
**For the half-year ended 31 December 2016**

Notes	Issued capital \$	Profits Reserve \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2015</b>	<u>335,234,188</u>	<u>11,801,039</u>	<u>(6,144,815)</u>	<u>340,890,412</u>
Profit for the period	-	-	23,822,508	23,822,508
<b>Transactions with owners in their capacity as owners:</b>				
Dividends provided for or paid	7 1,961,584	(12,815,830)	-	(10,854,246)
Costs of issued capital	6 (140,731)	-	-	(140,731)
Shares issued under share placement	6 14,348,150	-	-	14,348,150
Transfer to profits reserve	-	23,822,508	(23,822,508)	-
	<u>16,169,003</u>	<u>11,006,678</u>	<u>(23,822,508)</u>	<u>3,353,173</u>
<b>Balance at 31 December 2015</b>	<b><u>351,403,191</u></b>	<b><u>22,807,717</u></b>	<b><u>(6,144,815)</u></b>	<b><u>368,066,093</u></b>
<b>Balance at 1 July 2016</b>	<u>353,292,892</u>	<u>14,599,908</u>	<u>(6,144,815)</u>	<u>361,747,985</u>
Profit for the period	-	-	4,221,851	4,221,851
<b>Transactions with owners in their capacity as owners:</b>				
Dividends provided for or paid	7 1,994,382	(13,493,489)	-	(11,499,107)
Costs of issued capital	6 (25,689)	-	-	(25,689)
Transfer to profits reserve	-	8,168,985	(8,168,985)	-
	<u>1,968,693</u>	<u>(5,324,504)</u>	<u>(8,168,985)</u>	<u>(11,524,796)</u>
<b>Balance at 31 December 2016</b>	<b><u>355,261,585</u></b>	<b><u>9,275,404</u></b>	<b><u>(10,091,949)</u></b>	<b><u>354,445,040</u></b>

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

**Australian Leaders Fund Limited**  
**Statement of Cash Flows**  
**For the half-year ended 31 December 2016**

	<b>Half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Purchase of financial assets	(741,162,565)	(541,269,982)
Proceeds from sale of financial assets	791,641,748	533,496,453
Proceeds from short sale of financial liabilities	674,742,967	711,259,074
Re-purchase of financial liabilities	(746,522,385)	(569,762,019)
Interest received	4,907,024	5,141,062
Interest paid	(2,919,236)	(2,100,521)
Dividends received	6,511,084	5,158,905
Dividends paid on short stocks	(8,651,872)	(8,483,237)
Underwriting income	-	154,042
Other revenue	-	38,999
Income taxes paid	-	1,763,736
Investment management fees paid	(1,857,230)	(1,787,922)
Performance fees paid	(9,053,449)	-
Brokerage expense	(2,592,529)	(3,629,690)
Stock loan fees	(2,454,820)	(1,736,461)
Payments for other expenses	(419,254)	(450,995)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(37,830,517)</b>	<b>127,791,444</b>
<b>Net cash inflow from investing activities</b>	-	-
<b>Cash flows from financing activities</b>		
Share issue and buy-back transaction costs	6 (36,699)	14,147,107
Dividends paid to company's shareholders	(11,499,107)	(10,854,246)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(11,535,806)</b>	<b>3,292,861</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(49,366,323)</b>	<b>131,084,305</b>
Cash and cash equivalents at the beginning of the year	404,601,997	298,648,910
Effects of exchange rate changes on cash and cash equivalents	(12,757)	(1,530,150)
<b>Cash and cash equivalents at end of period</b>	<b>355,222,917</b>	<b>428,203,065</b>

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

## **1 Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of these condensed interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The interim financial statements are for the entity Australian Leaders Fund Limited

### **(a) Basis of preparation of half-year report**

These interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These interim financial statements do 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 2016 and any public announcements made by Australian Leaders Fund Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements have been prepared on an accrual basis, and are based on historical costs modified by the revaluation of selected financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The interim financial statements were authorised for issue by the Board of Directors on 24 February 2017.

Except as described below, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### **(b) Rounding of amounts**

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the Financial Report have been rounded to the nearest dollar.

## **2 Fair value measurements**

This note provides an update on the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial report.

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

- Financial assets and financial liabilities at fair value through profit or loss (FVTPL)

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

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

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

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

#### *(i) Recognised fair value measurements*

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2016 and 30 June 2016 on a recurring basis.

## 2 Fair value measurements (continued)

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

At 31 December 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>				
Financial assets at FVTPL				
Equity securities Australian	230,238,687	-	-	230,238,687
Equity securities International	158,200,443	-	-	158,200,443
<b>Total financial assets</b>	<b>388,439,130</b>	<b>-</b>	<b>-</b>	<b>388,439,130</b>

### Financial liabilities

Financial liabilities at FVTPL				
Equity securities sold short Australian	(240,502,703)	-	-	(240,502,703)
Equity securities sold short International	(158,276,337)	-	-	(158,276,337)
<b>Total financial liabilities</b>	<b>(398,779,040)</b>	<b>-</b>	<b>-</b>	<b>(398,779,040)</b>

At 30 June 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>				
Financial assets at FVTPL				
Equity securities Australian	267,282,923	-	-	267,282,923
Equity securities International	121,682,496	-	-	121,682,496
Unlisted equity securities	-	3,523,700	-	3,523,700
<b>Total financial assets</b>	<b>388,965,419</b>	<b>3,523,700</b>	<b>-</b>	<b>392,489,119</b>

### Financial liabilities

Financial liabilities at FVTPL				
Equity securities sold short Australian	(300,218,905)	-	-	(300,218,905)
Equity securities sold short International	(145,197,945)	-	-	(145,197,945)
Unlisted equity securities sold short	-	(162,743)	-	(162,743)
<b>Total financial liabilities</b>	<b>(445,416,850)</b>	<b>(162,743)</b>	<b>-</b>	<b>(445,579,593)</b>

There were no transfers between levels for recurring fair value measurements during the period.

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

#### (ii) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

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

## 3 Segment information

The Company has only one reportable segment. The Company operates in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its trading portfolio.

#### 4 Income tax expense

Income tax expense is recognised based on management's estimate of the effective income tax rate expected for the financial period. The effective tax rate used for the period to 31 December 2016 is 10% (2015: 23%). The movement in the effective tax rate is due to decreased realised gains from tax free assets as well as a reduction in fully franked dividends received in the period ended 31 December 2016.

#### 5 Contingencies

The Company had no contingent liabilities at 31 December 2016 (June 2015: nil).

#### 6 Issued capital

##### (a) Share capital

	<b>31 December 2016 Shares</b>	30 June 2016 Shares	<b>31 December 2016 \$</b>	30 June 2016 \$
Ordinary shares	<b>271,294,111</b>	269,869,781	<b>355,261,585</b>	353,292,892

##### (b) Movements in ordinary share capital

Date	Details	Number of shares	\$
1/07/2015	Opening balance	256,316,599	335,234,188
	DRP shares issued for dividend payment	6(c) 2,813,549	3,856,576
	Shares issued under DRP Placement Shortfall	6(d) 10,739,633	14,348,150
	Cost of issued capital	-	(146,022)
	Closing balance	<u>269,869,781</u>	<u>353,292,892</u>
1/07/2016	Opening balance	269,869,781	353,292,892
	DRP shares issued for dividend payment	6(c) 1,424,330	1,994,382
	Cost of issued capital	-	(25,689)
	Closing balance	<u>271,294,111</u>	<u>355,261,585</u>

##### (c) Dividend reinvestment plan

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a 3% discount to the market price.

##### (d) DRP Shortfall

On 6 November 2015, the Company issued a dividend reinvestment plan placement shortfall of 10,739,633 shares at \$1.3360.

## 7 Dividends

### (a) Ordinary shares

	Half-year ended	
	31 December 2016	31 December 2015
	\$	\$
Final dividend, franked based on tax paid @ 30.0% (2015: 30%)	<b>13,493,489</b>	12,815,830

### (b) Dividend rate

Dividends paid fully franked at 30% tax rate

	Dividend Rate	Total Amount	Date of Payment	% Franked
Ordinary shares - final 2016	\$0.05	\$13,493,489	26/10/2016	100
Ordinary shares - final 2015	\$0.05	\$12,815,830	28/10/2015	100

### (c) Dividends not recognised at the end of the reporting period

	Half-year ended	
	31 December 2016	31 December 2015
	\$	\$
In addition to the above dividends, since period end the Directors have recommended the payment of an interim dividend of 4 cents per fully paid ordinary share (2015 - 5 cents), 50% franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 13 April 2017, but not recognised as a liability at period end, is	<b>10,851,764</b>	13,426,224

## 8 Events occurring after the reporting period

Other than the dividend declared after year end (as discussed in Note 7(c)), no other matter or circumstance has occurred subsequent to the end of the period that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

**Australian Leaders Fund Limited  
Directors' Declaration  
For the half-year ended 31 December 2016**

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ended ended on that date
- (b) there are reasonable grounds to believe that the Company 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 Board of Directors.



Justin Braitling  
Chairman

Sydney  
24 February 2017

**Independent Auditor's Review Report  
to the Members of Australian Leaders Fund Limited  
ABN: 64 106 845 970**

**Report on the Half-year Financial Report**

We have reviewed the accompanying half-year financial report of Australian Leaders Fund Limited ("the company"), which comprises the statement of financial position as at 31 December 2016, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the company.

**Directors' Responsibility for the Half-year Financial Report**

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

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *"Review of a Financial Report Performed by the Independent Auditor of the Entity"*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2016 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 Australian Leaders Fund Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the 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.

**Independent Auditor's Review Report  
to the Members of Australian Leaders Fund Limited  
ABN 64 106 845 970**

**Independence**

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

**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 Australian Leaders Fund Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



S M WHIDDETT  
Partner

24 February 2017



PITCHER PARTNERS  
Sydney