

# van Eyk Blueprint Alternatives Plus

ARSN 121 722 521

## Preliminary Unaudited Financial Report

**For the year ended 30 June 2014**

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## Corporate Directory

|  |  |
|--|--|
| Responsible Entity                       | Millinium Capital Managers Limited<br>ABN 32 111 283 357<br>AFSL 284 336                           |
| Directors of Responsible Entity          | David Grey<br>Mark Phillips<br>Tom Wallace<br>Paul Bray (non-executive director)                   |
| Company Secretary                        | David Grey   |
| Principal Registered Office in Australia | Level 11<br>77 King Street<br>Sydney NSW Australia 2000  |
| Share register                           | Boardroom Pty Limited<br>Level 7, 207 Kent Street<br>Sydney NSW Australia 2000                     |
| Auditor                                  | Deloitte Touche Tohmatsu<br>Grosvenor Place<br>225 George Street<br>Sydney NSW Australia 2000      |
| Solicitors                               | Baker & McKenzie<br>Level 27<br>50 Bridge Street<br>Sydney NSW Australia 2000                      |
| Stock exchange listings                  | van Eyk Blueprint Alternatives Plus units are listed on the Australian Securities Exchange ("ASX") |
| Website address                          | <a href="http://www.millinium.com.au">www.millinium.com.au</a>                                     |

## Directors' report

The directors of Millinium Capital Managers Limited, the Responsible Entity of van Eyk Blueprint Alternatives Plus ("the Trust"), present their report together with the financial statements of the Trust for the year ended 30 June 2014.

In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Principal activities

The Trust invests in unlisted trusts and cash, in accordance with the provision of the Trust Constitution and the current Product Disclosure Statement.

There has been no significant change in the activities of the Trust during the financial year.

The Trust did not have any employees during the year (2013: Nil).

On 24 February 2014, Aurora Funds Management Limited retired as the Responsible Entity of the Trust, and Millinium Capital Managers Limited was appointed as the Responsible Entity of the Trust. It was approved by a unitholders vote during the meeting held on 19 February 2014.

The Trust is currently listed on the ASX. The ASX code is VBP.

### Directors

The following persons held office as directors of Millinium Capital Managers Limited since 24 February 2014 and up to the date of this report:

David Grey  
 Mark Phillips  
 Tom Wallace  
 Paul Bray (non-executive director)

The following persons held office as directors of Aurora Funds Management Limited from 1 July 2013 to 23 February 2014:

John Corr  
 Alastair Davidson (resigned 12 March 2014)  
 Simon Lindsay  
 Oliver Morgan (appointed 4 February 2014)  
 Stuart Roe

### Review and results of operations

During the year, the Trust continued to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

### Financial results for the year

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

|  | Year ended                |                           |
|--|---------------------------|---------------------------|
|  | 30 June<br>2014<br>\$'000 | 30 June<br>2013<br>\$'000 |
| Operating profit/(loss) before finance costs attributable to unitholders | 1,320                     | (497)                     |
| Distribution paid and payable  | 1,640                     | 2,368                     |
| Distribution (cents per unit) 31 December                                | 4.50                      | 10.00                     |
| Final Distribution (cents per unit) 30 June                              | 8.00                      | 4.67                      |

## Directors' report (continued)

### Financial Position

#### *Net Tangible Assets per unit as disclosed to the ASX*

Net Tangible Assets ("NTA") per unit as disclosed to the ASX (excluding distributions, but not accumulated imputation credits) are shown as follows:

|                    | <b>30 June<br/>2014</b> | 30 June<br>2013 |
|--------------------|-------------------------|-----------------|
|                    | \$                      | \$              |
| At 30 June         | <b>6.4485</b>           | 6.5515          |
| High during period | <b>6.6882</b>           | 7.0577          |
| Low during period  | <b>6.4031</b>           | 6.5515          |

### Information on Underlying Performance

The performance of the Trust is subject to the performance of the Trust's portfolio. There has been no change to the investment strategy of the Trust during the year, and the Trust continues to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

### Distributions

The Trust made an interim distribution for 31 December 2013 of \$0.045 per unit and a final distribution of \$0.08 per unit for 30 June 2014.

### Strategy and Future Outlook

The Trust is predominately invested in an unlisted unit trust, with a focus on alternative investment strategies and this is expected to continue. As markets are subject to fluctuations, it is imprudent to provide a detailed outlook statement or statement of expected results of operations. The Trust provides regular NTA announcements on a weekly basis which can be found in the announcement section of the ASX website.

### Significant changes in state of affairs

On 24 February 2014, Aurora Funds Management Limited retired as the Responsible Entity of the Trust, and Millinium Capital Managers Limited was appointed as the Responsible Entity of the Trust following ASIC's update to the Trust's records. It was approved by a unitholders vote during the meeting held on 19 February 2014.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Trust that occurred during the financial year.

## Directors' report (continued)

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

The Responsible Entity has since its appointment commenced a restructure of the Fund.

On 9 July 2014 the Responsible Entity announced changes to the Fund's operation and service providers. The Responsible Entity has appointed Australian Executor Trustees Limited as custodian for the Fund and Fund BPO Pty Limited as administrator.

The Responsible Entity has also been in communication with the Lender of the Fund including the reduction of the lending arrangements to the Fund and costs involved. On 19 August 2014, the Responsible Entity has agreed by 31 August 2014 to reduce the principal loan amount on behalf of the Fund. The Lender sought an initial amount of \$5,000,000 to be amortised with further timings for repayment to be finalised. The Loan is due for review on 1 November 2014. The Responsible Entity considers it prudent to reduce debt levels for the Fund.

The Responsible Entity has formed the view that the Fund's present fund structure and investment strategy is not competitive to produce ongoing performance for investors. The Investment Manager's strategy will be terminated and a restructure program will be implemented by the Responsible Entity within the next month to begin to re-establish investor confidence.

The Responsible Entity is also of the view that any withdrawal timings and restructure of the Fund will be made in a co-ordinated manner in the interests of all unit holders following any announcements to them.

Other than the matters outlined above, no other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

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

### Likely developments and expected results of operations

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

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

The Responsible Entity is undertaking a strategic review of service providers with the existing custodian and administrator of the Trust to be replaced by August 2014. The Trust's constituent documents including the Compliance Plan, Product Disclosure Statement and Constitution of the Trust are also under review.

The Trust has a loan agreement with the Commonwealth Bank of Australia ("CBA"). In March/April there was a timing delay in making a loan interest payment to CBA. CBA has provided correspondence to confirm the matter was rectified.

The former Responsible Entity made a claim for distribution services (which was outlined in its notice of meeting) that has since been settled for the payment of \$50,000 upon execution of final terms that are yet to be executed.

### Indemnification of officers and auditors

During or since the end of the financial year the Responsible Entity has not indemnified or made a relevant agreement to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred by such an officer or auditor. In addition, the Responsible Entity has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

## Directors' report (continued)

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

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in Note 13 to the financial statements.

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

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 13 to the financial statements.

### Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in Note 8 to the financial statements.

The values of the Trust's assets and liabilities are disclosed on the Statement of Financial Position and derived using the basis set out in Note 2 to the financial statements.

### Environmental regulation

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

## Directors' report (continued)

### Information about the directors

The following persons were directors during the year and were directors of the Responsible Entity at any time during or since the end of the financial year.

#### Mr Grey

Mr Grey is the managing director of the Responsible Entity with over 30 years experience within senior management and legal roles. Mr Grey holds business and undergraduate and post graduate qualifications specialising in corporate law. Mr Grey is the Company secretary for the Responsible Entity and is RG 146 compliant and a member of the external compliance and investment committees.

#### Mr Phillips

Mr Phillips is an executive director and the chief officer for investments and has a strong background in funds management and investment banking through his 24 years in the industry. Mr Phillips holds qualifications in financial planning and other financial markets courses and is RG 146 compliant.

#### Mr Wallace

Mr Wallace is an executive director and investment manager in private equity and property related activities. He was formerly a partner in a Sydney commercial law firm and has over 11 years experience in financial services. He is a solicitor of the Supreme Courts of New South Wales and Queensland and the High Court of Australia with qualifications in law and in real estate and is RG 146 compliant.

#### Mr Bray (non-executive director)

Mr Bray is a non-executive director educated in the UK and Australia and holds a property qualification and has more than 26 years experience in funds management in sales, compliance and portfolio construction. Mr Bray was the CEO and a Director of a major international fund manager, ABN AMRO Asset Management and previously was an owner of his own funds management group which specialized in Australian equities and also consults to other groups in the property management arena.

The directors have been in office since the start of the financial year and up to the date of this report unless otherwise stated.

### Summary of Investment Management Agreement

The Investment Management Agreement ("IMA") with van Eyk Research Pty Ltd (ABN 99 010 664 632), a corporate authorised representative of van Eyk Financial Group Pty Ltd (ABN 28 149 670 078, AFSL 402146, authorised representative number 408625), is dated 20 September 2006 and appointed van Eyk Research for an initial period of 10 years. The IMA can be terminated in certain circumstances including (among other things) if van Eyk Research goes into liquidation or fails to provide adequate professional resources to execute the IMA. Further details are available in the current Product Disclosure Statement.

### Options Granted

No options were:

- (i) Granted over unissued units in the Trust during or since the end of the financial year; or
- (ii) Granted to the Responsible Entity.

No unissued units in the Trust were under option as at the date on which this report is made.

No units were issued in the Trust during or since the end of the financial year as a result of the exercise of an option over unissued units in the Trust.

## Directors' report (continued)

### Interests held by the Responsible Entity and Directors

There were no units (2013: Nil) of the Trust held by the Responsible Entity or its associates or by Directors at the date of this report.

### Remuneration report

The Responsible Entity of van Eyk Blueprint Alternatives Plus is Millinium Capital Managers Limited. Key management personnel are the executive directors of Millinium Capital Managers Limited. The key management remuneration disclosures required under AASB 124 are provided in the financial statements of the Responsible Entity.

### Proceedings on behalf of the Trust

No person has applied for leave of court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The Trust was not a party to any such proceedings during the year.

### Rounding of amounts to the nearest thousand dollars

The Trust is an entity of the kind referred to in Class Order 98/100 (as amended), issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded to the nearest thousands dollars in accordance with that Class Order, unless otherwise stated.

### Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year as set out in Note 2(b) to the financial statements.

### 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 8.

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

David Grey

Director

20 September 2014

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**Statement of Profit or Loss and Other Comprehensive Income**

|  | Notes | Year ended                |                            |
|--|-------|---------------------------|----------------------------|
|  |       | 30 June<br>2014<br>\$'000 | 30 June<br>2013*<br>\$'000 |
| <b>Investment income</b>   |       |                           |                            |
| Interest income  |       | 7                         | 29                         |
| Distribution income  |       | 3,029                     | 4,279                      |
| Net gains/(losses) on financial instruments held at fair value<br>through profit or loss | 7     | 201                       | (2,755)                    |
| Other investment income  |       | <u>2</u>                  | <u>2</u>                   |
| <b>Total net investment income</b>   |       | <u><b>3,239</b></u>       | <u><b>1,555</b></u>        |
| <b>Expenses</b>  |       |                           |                            |
| Management fees  | 13    | 310                       | 303                        |
| Interest expenses  |       | 1,529                     | 1,745                      |
| Remuneration of auditors   | 6     | 51                        | -                          |
| Other operating expenses   | 5     | <u>29</u>                 | <u>4</u>                   |
| <b>Total operating expenses</b>  |       | <u><b>1,919</b></u>       | <u><b>2,052</b></u>        |
| <b>Operating profit/(loss)</b>   |       | <u><b>1,320</b></u>       | <u><b>(497)</b></u>        |
| <b>Finance costs attributable to unitholders</b>   |       |                           |                            |
| Distributions to unitholders   | 9     | (1,640)                   | (2,368)                    |
| Decrease in net assets attributable to unitholders                                       | 8     | <u>320</u>                | <u>2,865</u>               |
| <b>Profit/(loss) for the year</b>  |       | <u><b>-</b></u>           | <u><b>-</b></u>            |
| Other comprehensive income   |       | <u>-</u>                  | <u>-</u>                   |
| <b>Total comprehensive income</b>  |       | <u><b>-</b></u>           | <u><b>-</b></u>            |

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

\* The prior year numbers have been restated in the current year. Please see Note 2(b) for further details.

**Statement of Financial Position**

|   |       | <b>30 June</b>        | <b>As at</b>          |                       |
|---|-------|-----------------------|-----------------------|-----------------------|
|   | Notes | <b>2014</b>           | 30 June               | 1 July                |
|   |       | <b>\$'000</b>         | 2013*                 | 2012*                 |
|   |       |                       | \$'000                | \$'000                |
| <b>Assets</b>   |       |                       |                       |                       |
| Cash and cash equivalents   | 10    | 758                   | 1,594                 | 891                   |
| Receivables   |       | 1,444                 | 1,610                 | 7,513                 |
| Financial assets held at fair value through profit or loss                  | 11    | <u>114,815</u>        | <u>128,870</u>        | <u>150,348</u>        |
| <b>Total assets</b>   |       | <u><b>117,017</b></u> | <u><b>132,074</b></u> | <u><b>158,752</b></u> |
| <b>Liabilities</b>  |       |                       |                       |                       |
| Bank overdraft  | 12    | 35,000                | 35,000                | 31,419                |
| Distributions payable   | 9     | 1,002                 | 704                   | 13,998                |
| Redemptions payable   |       | -                     | -                     | 20                    |
| Other payables  |       | <u>383</u>            | <u>286</u>            | <u>330</u>            |
| <b>Total liabilities (excluding net assets attributable to unitholders)</b> |       | <u><b>36,385</b></u>  | <u><b>35,990</b></u>  | <u><b>45,767</b></u>  |
| <b>Net assets attributable to unitholders - Liability</b>                   | 8     | <u><b>80,632</b></u>  | <u><b>96,084</b></u>  | <u><b>112,985</b></u> |

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

\* The prior year numbers have been restated in the current year. Please see Note 2(b) for further details.

**Statement of Changes in Equity**

|  | Year ended                |                           |
|--|---------------------------|---------------------------|
|  | 30 June<br>2014<br>\$'000 | 30 June<br>2013<br>\$'000 |
| <b>Total equity at the beginning of the financial year</b>     | -                         | -                         |
| Profit/(loss) for the year                                     | -                         | -                         |
| Other comprehensive income                                     | -                         | -                         |
| <b>Total comprehensive income</b>                              | -                         | -                         |
| Transactions with unitholders in their capacity as unitholders | -                         | -                         |
| <b>Total equity at the end of the financial year</b>           | -                         | -                         |

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

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

## Statement of Cash Flows

|   | Notes  | Year ended                |                            |
|---|--------|---------------------------|----------------------------|
|   |        | 30 June<br>2014<br>\$'000 | 30 June<br>2013*<br>\$'000 |
| <b>Cash flows from operating activities</b>   |        |                           |                            |
| Proceeds from sale of financial instruments held at fair value through profit or loss |        | 14,257                    | 22,804                     |
| Purchase of financial instruments held at fair value through profit or loss           |        | -                         | (500)                      |
| Distributions received  |        | 3,195                     | 6,597                      |
| Interest received   |        | 7                         | 29                         |
| Other investment income   |        | 2                         | 2                          |
| Payment of interest expenses  |        | (1,537)                   | (1,783)                    |
| GST recovered   |        | -                         | 3                          |
| Management fees paid  |        | (265)                     | (307)                      |
| Payment of other operating expenses   |        | (21)                      | (4)                        |
| <b>Net cash inflow from operating activities</b>                                      | 14(a)  | <u>15,638</u>             | <u>26,841</u>              |
| <b>Cash flows from financing activities</b>   |        |                           |                            |
| Proceeds from applications by unitholders   | 8      | 3,153                     | 1,378                      |
| Payments for redemptions by unitholders   | 8      | (18,446)                  | (24,315)                   |
| Distributions paid  |        | (1,181)                   | (6,782)                    |
| <b>Net cash outflow from financing activities</b>                                     |        | <u>(16,474)</u>           | <u>(29,719)</u>            |
| <b>Net decrease in cash and cash equivalents</b>                                      |        | (836)                     | (2,878)                    |
| Cash and cash equivalents at the beginning of the year                                |        | <u>(33,406)</u>           | <u>(30,528)</u>            |
| <b>Cash and cash equivalents at the end of the year</b>                               | 10, 12 | <u>(34,242)</u>           | <u>(33,406)</u>            |
| <b>Non-cash financing activities</b>  | 14(b)  | <u>161</u>                | <u>8,880</u>               |

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

\* The prior year numbers have been restated in the current year. Please see Note 2(b) for further details.

## Notes to the Financial Statements

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## 1 General information

These financial statements cover van Eyk Blueprint Alternatives Plus ("the Trust") as an individual entity. The Trust commenced operations on 13 December 2006 and was admitted to the Australian Securities Exchange ("ASX") on 19 December 2006 and is domiciled in Australia.

On 24 February 2014, Aurora Funds Management Limited retired as the Responsible Entity of the Trust, and Millinium Capital Managers Limited (the "Responsible Entity") was appointed as the Responsible Entity of the Trust. The Responsible Entity's registered office is Level 11, 77 King Street, Sydney, NSW 2000. The financial statements are presented in the Australian currency.

It is recommended that these financial statements are considered together with the current product disclosure document and in accordance with the provisions of the governing documents of the Trust, and any public announcements made by the Trust during the year ended 30 June 2014 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and ASX listing rules.

The principal activities of the Trust during the financial year were establishing its investment strategy in accordance with the provision of the Trust Constitution and the Product Disclosure Statement.

The financial statements were authorised for issue by the directors on 20 September 2014. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board, and the *Corporations Act 2001* in Australia. van Eyk Blueprint Alternatives Plus is a for-profit unit trust for the purpose of preparing the financial statements.

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

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

### **Compliance with International Financial Reporting Standards**

The financial statements of the Trust also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### **New and amended standards**

The Trust has adopted all the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the operations and effective for the financial year:

#### *AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*

This standard removes the individual key management personnel disclosure requirements in AASB 124 *Related Party Disclosures*.

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

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

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

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

#### *AASB 10 Consolidated Financial Statements*

The Trust has also early adopted amendments made to AASB 10 and AASB 127 (revised 2011) *Separate Financial Statements* by AASB 2013-5 *Amendments to Australian Accounting Standards – Investment Entities* as set out in Note 2(b).

## 2 Summary of significant accounting policies (continued)

### (b) Impact of the application of AASB 10 and the related investment entity amendments

AASB 10 *Consolidated Financial Statements* replaces all guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 112 *Consolidation – Special Purpose Entities*. AASB 10 is effective for periods beginning from 1 January 2013, with early adoption permitted.

The amendment to AASB 10, by AASB 2013-5 *Amendments to Australian Accounting Standards – Investment Entities*, introduce an exception from the requirement to consolidate subsidiaries for an investment entity as long as certain criteria have been met. The amendments are effective for periods beginning on 1 January 2014, with early adoption permitted.

The Trust meets the definition of an investment entity and therefore has early adopted the investment entity amendments to AASB 10 *Consolidated Financial Statements*, with a date of initial application of 1 July 2013.

As a result of the adoption of AASB 10, the Trust has changed the accounting policy with respect to determining whether it has control over and consequently whether it consolidates its investees. AASB 10 introduces a new control model that is applicable to all investees, among other things, it requires the consolidation of an investee if the Trust controls the investee on the basis of de facto circumstances. An exception however exists where an entity meets the definition of an investment entity.

The Trust meets the definition of an investment entity due to the following factors:

- The Trust obtains and manages funds for the purposes of providing investors of the Trust with investment management services;
- The Trust has committed to their investors that the business purpose is to invest funds solely for return from capital appreciation and investment income; and
- The Trust measures and evaluates the performance of substantially all of their investments on a fair value basis.

In making the above assessment, the Trust has multiple investments and multiple investors. The majority of the investors are unrelated parties of the Trust. Finally, although all units attributable to unitholders are recognised as debt rather than equity, unitholders are still exposed to variable returns. Management have concluded that the Trust meets the definition of an investment entity.

In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the following table shows the retrospective adjustments made to the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Cash Flows for the comparative period to adjust for the deconsolidation of the subsidiaries that are now accounted for at fair value on adopting AASB 10 and the investment entity exemption:

| Statement of Profit or Loss and Other Comprehensive Income                    | 30 June 2013<br>Consolidated<br>\$'000 | Adjustments<br>\$'000 | 30 June 2013<br>(Restated)<br>\$'000 |
|---|--|-----------------------|--------------------------------------|
| <b>Investment income</b>  |  |                       |                                      |
| Interest income   | 1,750                                  | (1,721)               | 29                                   |
| Distribution income   | 4,839                                  | (560)                 | 4,279                                |
| Net losses on financial instruments held at fair value through profit of loss | (3,467)                                | 712                   | (2,755)                              |
| Other investment income   | 881                                    | (879)                 | 2                                    |
| <b>Total net investment income</b>  | <b>4,003</b>                           | <b>(2,448)</b>        | <b>1,555</b>                         |
| <b>Expenses</b>   |  |                       |                                      |
| Management fees   | 2,851                                  | (2,548)               | 303                                  |
| Finance costs   | 2,184                                  | (439)                 | 1,745                                |
| Other operating expenses  | 917                                    | (913)                 | 4                                    |
| <b>Total operating expenses</b>   | <b>5,952</b>                           | <b>(3,900)</b>        | <b>2,052</b>                         |
| <b>Operating loss for the year</b>  | <b>(1,949)</b>                         | <b>1,452</b>          | <b>(497)</b>                         |
| <b>Finance costs attributable to unitholders</b>                              |  |                       |                                      |
| Distributions to outside interests  | (3,525)                                | 3,525                 | -                                    |
| Decrease in net assets attributable to outside interests                      | 4,977                                  | (4,977)               | -                                    |
| Distributions to unitholders  | (2,368)                                | -                     | (2,368)                              |
| Decrease in net assets attributable to unitholders                            | 2,865                                  | -                     | 2,865                                |
| <b>Profit/(loss) for the year</b>   | -                                      | -                     | -                                    |
| Other comprehensive income  | -                                      | -                     | -                                    |
| <b>Total comprehensive income</b>   | <b>-</b>                               | <b>-</b>              | <b>-</b>                             |

## 2 Summary of significant accounting policies (continued)

### (b) Impact of the application of AASB 10 and the related investment entity amendments (continued)

#### Statement of Financial Position

|   | 30 June 2013<br>Consolidated<br>\$'000 | Adjustments<br>\$'000 | 30 June 2013<br>(Restated)<br>\$'000 | 1 July 2012<br>Consolidated<br>\$'000 | Adjustments<br>\$'000 | 1 July 2012<br>(Restated)<br>\$'000 |
|---|--|-----------------------|--------------------------------------|---------------------------------------|-----------------------|-------------------------------------|
| <b>Assets</b>   |  |                       |                                      |                                       |                       |                                     |
| Cash and cash equivalents   | 32,447                                 | (30,853)              | 1,594                                | 29,492                                | (28,601)              | 891                                 |
| Margin accounts   | 4,728                                  | (4,728)               | -                                    | 2,422                                 | (2,422)               | -                                   |
| Due from brokers - receivable<br>for securities sold                                | 68,487                                 | (68,487)              | -                                    | 55,315                                | (55,315)              | -                                   |
| Receivables   | 421                                    | 1,189                 | 1,610                                | 721                                   | 6,792                 | 7,513                               |
| Financial assets held at fair<br>value through profit or loss                       | <u>168,463</u>                         | <u>(39,593)</u>       | <u>128,870</u>                       | <u>140,387</u>                        | <u>9,961</u>          | <u>150,348</u>                      |
| <b>Total assets</b>   | <u>274,546</u>                         | <u>(142,472)</u>      | <u>132,074</u>                       | <u>228,337</u>                        | <u>(69,585)</u>       | <u>158,752</u>                      |
| <b>Liabilities</b>  |  |                       |                                      |                                       |                       |                                     |
| Bank overdraft  | 35,000                                 | -                     | 35,000                               | 31,419                                | -                     | 31,419                              |
| Distribution payable  | 1,787                                  | (1,084)               | 704                                  | 18,465                                | (4,467)               | 13,998                              |
| Redemption payable  | 3,705                                  | (3,705)               | -                                    | 325                                   | (305)                 | 20                                  |
| Application money received in<br>advance  | -                                      | -                     | -                                    | 630                                   | (630)                 | -                                   |
| Due to brokers - payable for<br>securities purchased                                | 16,151                                 | (16,151)              | -                                    | -                                     | -                     | -                                   |
| Other payables  | 797                                    | (510)                 | 286                                  | 528                                   | (198)                 | 330                                 |
| Financial liabilities held at fair<br>value through profit or loss                  | 22,534                                 | (22,534)              | -                                    | -                                     | -                     | -                                   |
| Net assets attributable to<br>outside interests                                     | <u>98,488</u>                          | <u>(98,488)</u>       | <u>-</u>                             | <u>63,985</u>                         | <u>(63,985)</u>       | <u>-</u>                            |
| <b>Total liabilities (excluding net<br/>assets attributable to<br/>unitholders)</b> | <u>178,462</u>                         | <u>(142,472)</u>      | <u>35,990</u>                        | <u>115,352</u>                        | <u>(69,585)</u>       | <u>45,767</u>                       |
| <b>Net assets attributable to<br/>unitholders</b>                                   | <u>96,084</u>                          | <u>-</u>              | <u>96,084</u>                        | <u>112,985</u>                        | <u>-</u>              | <u>112,985</u>                      |
| <b>Liabilities attributable to<br/>unitholders</b>                                  | <u>(96,084)</u>                        | <u>-</u>              | <u>(96,084)</u>                      | <u>(112,985)</u>                      | <u>-</u>              | <u>(112,985)</u>                    |
| <b>Net Assets</b>   | <u>-</u>                               | <u>-</u>              | <u>-</u>                             | <u>-</u>                              | <u>-</u>              | <u>-</u>                            |

As a result of the adoption of AASB 10, AASB 101 *Presentation of Financial Statements* requires the Trust to present the Statement of Financial Position as at the beginning of the preceding period when it applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements.

#### Statement of Cash Flows

|   | 30 June 2013<br>Consolidated<br>\$'000 | Adjustments<br>\$'000 | 30 June 2013<br>(Restated)<br>\$'000 |
|---|--|-----------------------|--------------------------------------|
| <b>Net cash (outflow)/inflow from operating activities</b>              | <u>(4,107)</u>                         | <u>30,948</u>         | <u>26,841</u>                        |
| <b>Net cash inflow/(outflow) from financing activities</b>              | <u>2,822</u>                           | <u>(32,541)</u>       | <u>(29,719)</u>                      |
| <b>Net decrease in cash and cash equivalents</b>                        | <u>(1,285)</u>                         | <u>(1,593)</u>        | <u>(2,878)</u>                       |
| Cash and cash equivalents at the beginning of the year                  | (1,927)                                | (28,601)              | (30,528)                             |
| Effects of foreign currency exchange rates on cash and cash equivalents | <u>659</u>                             | <u>(659)</u>          | <u>-</u>                             |
| <b>Cash and cash equivalents at the end of the year</b>                 | <u>(2,553)</u>                         | <u>(30,853)</u>       | <u>(33,406)</u>                      |

## 2 Summary of significant accounting policies (continued)

### (c) Financial instruments

#### (i) Classification

The Trust's investments are classified as at fair value through profit or loss. They comprise:

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded equity instruments and equity derivative instruments.

The Trust may sell securities short in anticipation of a decline in fair value of that security. When the Trust sells a security short, it must borrow the security sold short and deliver it to the broker dealer through which it made the short sale. At the reporting date, the liability for the obligation to replace the borrowed security is valued at the net fair value.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

#### (ii) Recognition / derecognition

The Trust recognises financial assets and financial liabilities on the date that it becomes party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

#### (iii) Measurement

##### *Financial assets and liabilities held at fair value through profit or loss*

At initial recognition, the Trust measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit or Loss and Other Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Profit or Loss and Other Comprehensive Income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Trust is the current bid price and the quoted market price for financial liabilities is the current asking price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making.

Further details on how the fair value of financial instruments is determined are disclosed in Note 4.

##### *Loans and receivables*

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

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

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

## 2 Summary of significant accounting policies (continued)

### (c) Financial instruments (continued)

#### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### (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 are classified as financial liabilities as the Trust is required to distribute its distributable income. The units can be put back to the Trust at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Trust.

#### (e) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

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

#### (f) Margin accounts

Margin accounts comprise of cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

#### (g) Investment income

Interest income is recognised in profit or loss for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(c).

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

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

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date.

Trust distributions are recognised on an entitlements basis.

#### (h) Expenses

All expenses, including Responsible Entity's fees and custodian fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

#### (i) Income tax

Under current legislation, the Trust is not subject to income tax as unitholders are presently entitled to the income of the Trust.

The benefit of imputation credits paid is passed on to unitholders.

#### (j) Distributions

The Trust distributes its distributable income in accordance with the Trust Constitution, to unitholders by cash or reinvestment. The distributions are recognised in profit or loss as finance costs attributable to unitholders.

## 2 Summary of significant accounting policies (continued)

### (k) Increase/decrease in net asset attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs.

### (l) Foreign currency translation

#### (i) Functional and presentation currency

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

### (m) Due from/to brokers

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

### (n) Receivables

Receivables may include amounts for interest, trust distributions and securities sold where settlement has not yet occurred. Trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(g). Amounts are generally received within 30 days of being recorded as receivables.

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

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

### (o) Payables

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the end of the reporting period.

As the Trust has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the Statement of Financial Position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

### (p) Applications and redemptions

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets of the Trust, divided by the number of units on issue.

### (q) Goods and Services Tax (GST)

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

## 2 Summary of significant accounting policies (continued)

### (r) Use of estimates

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Trust's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the immediate or short term nature of these financial instruments.

### (s) New accounting standards and interpretations

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

| Standard/Interpretation  | Effective for annual reporting periods beginning on or after | Expected to be initially applied in the financial year ending |
|--|--|---|
| AASB 9 'Financial Instruments', and the relevant amending standards  | 1 January 2017   | 30 June 2018  |
| AASB 1031 'Materiality' (2013)   | 1 January 2014   | 30 June 2015  |
| AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'                          | 1 January 2014   | 30 June 2015  |
| AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'                                | 1 January 2014   | 30 June 2015  |
| AASB 2014-1 'Amendments to Australian Accounting Standards – Part A 'Annual Improvements 2010-2012 and 2011-2013 Cycles' and Part C: 'Materiality' | 1 July 2014  | 30 June 2015  |
| AASB 2014-1 'Amendments to Australian Accounting Standards' – Part E: 'Financial Instruments'  | 1 January 2015   | 30 June 2016  |

The potential effect of the revised Standards/Interpretations on the Trust's financial statements has not yet been determined.

### (t) Rounding of amounts

The Trust is one of the kind referred to in Class Order 98/100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest dollar in accordance with that Class Order, unless otherwise indicated.

### (u) Segment information

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

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

### (v) Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation in these financial statements as disclosed in Note 2(b) of the financial statements.

### 3 Financial risk management

The Trust's activities expose it to a variety of financial risks: market risk (including price risk, currency risk, and interest rate risk), credit risk and liquidity risk.

The Trust's overall risk management program focuses on ensuring compliance with the Trust's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Trust is exposed. The Trust uses derivative financial instruments to moderate and create certain risk exposures. Financial risk management is carried out by the investment management department of the Responsible Entity under policies approved by the Board of Directors of the Responsible Entity ("the Board").

The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of price risk and rating analysis for credit risk.

#### (a) Market risk

##### (i) Price risk

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

The Trust is a feeder fund which invests into the unlisted van Eyk Blueprint Alternatives Fund (ARSN 112 183 249, the 'Master Fund'). The Trust's financial instrument exposure is susceptible to price risk arising from uncertainties about future prices of the unlisted investment. The exposure is limited to the fair value of the investment held in the Master Fund.

Investments are classified in the Statement of Financial Position as at fair value through profit or loss. All securities investments present a risk of loss of capital.

A sensitivity analysis was performed showing how the effect of a 10 per cent increase (2013: 10 per cent) and a 10 per cent decrease (2013: 10 per cent) in market prices would have increased/decreased the impact on operation profit/net assets attributable to unitholders as at 30 June 2014. The results of this analysis are disclosed in 'Note 3(b) - Summarised sensitivity analysis'.

##### (ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The Trust's investment into the Master Fund subjects the Trust to indirect exposure to foreign exchange risk. This is limited to the amount invested in the Master Fund and managed according to the investment strategy of the Master Fund. The Trust has no direct exposure to foreign exchange risk and no sensitivity analysis was performed.

##### (iii) Cash flow and fair value interest rate risk

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

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

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

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. There is no significant direct interest rate risk in the Trust as the Trust does not hold interest rate sensitive financial instruments. The interest rates on deposits at bank and on bank overdrafts are both referenced to the RBA cash rate.

A sensitivity analysis was performed showing how the effect of a 100 basis point increase (2013: 100 basis point) and a 100 basis point decrease (2013: 100 basis point) in interest rates on cash and cash equivalents would have increased/decreased the impact on operation profit/net assets attributable to unitholders as at 30 June 2014. The results of this analysis are disclosed in 'Note 3(b) - Summarised sensitivity analysis'.

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

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

| 30 June 2014   | Floating<br>interest rate<br>\$'000 | Fixed interest<br>rate<br>\$'000 | Non interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|--|-------------------------------------|----------------------------------|-----------------------------------|-----------------|
| <b>Financial assets</b>                                    |                                     |                                  |                                   |                 |
| Cash and cash equivalents                                  | 758                                 | -                                | -                                 | 758             |
| Receivables  | -                                   | -                                | 1,444                             | 1,444           |
| Financial assets held at fair value through profit or loss | -                                   | -                                | 114,815                           | 114,815         |
| <b>Financial liabilities</b>                               |                                     |                                  |                                   |                 |
| Bank overdraft   | (35,000)                            | -                                | -                                 | (35,000)        |
| Distributions payable                                      | -                                   | -                                | (1,002)                           | (1,002)         |
| Other payables   | -                                   | -                                | (383)                             | (383)           |
| <b>Net exposure</b>  | <b>(34,242)</b>                     | <b>-</b>                         | <b>114,874</b>                    | <b>80,632</b>   |
| 30 June 2013   | Floating<br>interest rate<br>\$'000 | Fixed interest<br>rate<br>\$'000 | Non interest<br>bearing<br>\$'000 | Total<br>\$'000 |
| <b>Financial assets</b>                                    |                                     |                                  |                                   |                 |
| Cash and cash equivalents                                  | 1,594                               | -                                | -                                 | 1,594           |
| Receivables  | -                                   | -                                | 1,610                             | 1,610           |
| Financial assets held at fair value through profit or loss | -                                   | -                                | 128,870                           | 128,870         |
| <b>Financial liabilities</b>                               |                                     |                                  |                                   |                 |
| Bank overdraft   | (35,000)                            | -                                | -                                 | (35,000)        |
| Distributions payable                                      | -                                   | -                                | (703)                             | (703)           |
| Other payables   | -                                   | -                                | (287)                             | (287)           |
| <b>Net exposure</b>  | <b>(33,406)</b>                     | <b>-</b>                         | <b>129,490</b>                    | <b>96,084</b>   |

#### (b) Summarised sensitivity analysis

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

|                     | Price risk      |                | Interest rate risk |                    |
|---------------------|-----------------|----------------|--------------------|--------------------|
|                     | -10%<br>\$'000  | +10%<br>\$'000 | -100 bps<br>\$'000 | +100 bps<br>\$'000 |
| <b>30 June 2014</b> | <b>(11,482)</b> | <b>11,482</b>  | <b>342</b>         | <b>(342)</b>       |
| 30 June 2013        | (12,887)        | 12,887         | 334                | (334)              |

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

### 3 Financial risk management (continued)

#### (c) Credit risk

The Trust is exposed to credit risk which is the risk that the counterparty will be unable to pay amounts in full when they fall due.

The main concentration of credit risk to which the Trust is exposed arises from cash and cash equivalents, financial assets held at fair value through profit or loss and amounts due from other receivables.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

There were no significant concentrations of credit risk to counterparties at 30 June 2014. No individual investment, other than cash and investments in the Master Fund, exceeded ten percent of the net assets attributable to unitholders at 30 June 2014.

The exposure of concentration risk in the Master Fund is limited as the diversification of investments in the Master Fund is spread through a large pool of investments held in multiple asset classes. The Trust only has a material credit risk exposure to the bank (JP Morgan) which holds the Trust's cash assets at 30 June 2014.

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

| Cash at bank, margin accounts with broker and short term bank deposits | Year ended             |                        |
|--|------------------------|------------------------|
|  | 30 June 2014<br>\$'000 | 30 June 2013<br>\$'000 |
| <b>Rating</b>  |                        |                        |
| AA   | 754                    | 822                    |
| AA-  | 4                      | 772                    |
| Total  | 758                    | 1,594                  |

#### (i) Settlement of securities transactions

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

#### (ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA- or higher.

In accordance with the Trust's policy, the investment manager monitors the Trust's credit position on a daily basis, and the Board of Directors reviews it on a quarterly basis.

#### (iii) Other

The Trust has entered into a lending agreement with the Commonwealth Bank of Australia (AA- credit rating). Some of the Trust's assets are pledged as collateral for amounts drawn under the overdraft facility. The Trust is not materially exposed to credit risk on other financial assets.

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

### 3 Financial risk management (continued)

#### (d) Liquidity risk

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

Investments in unlisted unit trusts expose the Trust to the risk that the Responsible Entity or manager of those trusts may be unwilling or unable to fulfill the redemption requests within the timeframe requested by the Trust.

In order to manage the Trust's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders.

Units are redeemed on demand at the unitholder's option. However, the Board of Directors of the Responsible Entity does not envisage that the contractual maturity disclosed in the following table will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

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

|   | Less than 1<br>month<br>\$'000 | 1 to 6 months<br>\$'000 | Total<br>\$'000 |
|---|--------------------------------|-------------------------|-----------------|
| <b>30 June 2014</b>   |                                |                         |                 |
| <b>Liabilities</b>  |                                |                         |                 |
| Bank overdraft  | -                              | 35,000                  | 35,000          |
| Distributions payable   | 1,002                          | -                       | 1,002           |
| Other payables  | 383                            | -                       | 383             |
| Net assets attributable to unitholders                              | <u>80,632</u>                  | <u>-</u>                | <u>80,632</u>   |
| <b>Contractual cash flows (excluding gross settled derivatives)</b> | <u>82,017</u>                  | <u>35,000</u>           | <u>117,017</u>  |
|   | Less than 1<br>month<br>\$'000 | 1 to 6 months<br>\$'000 | Total<br>\$'000 |
| <b>30 June 2013</b>   |                                |                         |                 |
| <b>Liabilities</b>  |                                |                         |                 |
| Bank overdraft  | 35,000                         | -                       | 35,000          |
| Distributions payable   | 703                            | -                       | 703             |
| Other payables  | 287                            | -                       | 287             |
| Net assets attributable to unitholders                              | <u>96,084</u>                  | <u>-</u>                | <u>96,084</u>   |
| <b>Contractual cash flows (excluding gross settled derivatives)</b> | <u>132,074</u>                 | <u>-</u>                | <u>132,074</u>  |

## 4 Fair value measurement

The Trust 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)
- Financial assets / liabilities held for trading
- Derivative financial instruments

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

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (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) *Fair value in an active market (level 1)*

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Trust values its investments in accordance with the accounting policies set out in Note 2. For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Trust is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

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

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

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

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

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

### *Recognised fair value measurements*

The following table presents the Trust's assets and liabilities measured and recognised at fair value for the year ended 30 June 2014 and 30 June 2013.

| <b>As at 30 June 2014</b>  | <b>Level 1<br/>\$'000</b> | <b>Level 2<br/>\$'000</b> | <b>Level 3<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|--|---------------------------|---------------------------|---------------------------|-------------------------|
| <b>Financial assets</b>  |                           |                           |                           |                         |
| <b>Financial assets designated at fair value through profit or loss:</b> |                           |                           |                           |                         |
| Unlisted unit trusts   | -                         | <u>114,815</u>            | -                         | <u>114,815</u>          |
| <b>Total</b>   | -                         | <u>114,815</u>            | -                         | <u>114,815</u>          |

#### 4 Fair value measurement (continued)

| As at 30 June 2013  | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| Financial assets  |                   |                   |                   |                 |
| Financial assets designated at fair value through profit or loss: |                   |                   |                   |                 |
| Unlisted unit trusts  | -                 | 128,870           | -                 | 128,870         |
| Total   | -                 | 128,870           | -                 | 128,870         |

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

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

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include corporate debt securities. As observable prices are not available for these securities, the responsible entity has used valuation techniques to derive fair value.

##### Transfers between levels

There have been no transfers between levels for the year ended 30 June 2014 and 30 June 2013.

##### Movement in level 3 instruments

There have been no movements in level 3 instruments for the year ended 30 June 2014 and 30 June 2013.

#### 5 Other operating expenses

|               | Year ended             |                        |
|---------------|------------------------|------------------------|
|               | 30 June 2014<br>\$'000 | 30 June 2013<br>\$'000 |
| Legal fees    | 24                     | 4                      |
| Other expense | 5                      | -                      |
|               | <u>29</u>              | <u>4</u>               |

#### 6 Remuneration of auditors

During the year the following fees were paid or payable by the Responsible Entity on behalf of the Trust for services provided by the auditor of the Trust: The auditor of the Trust is Deloitte Touche Tohmatsu (2013: PwC).

|   | Year ended            |                       |
|---|-----------------------|-----------------------|
|   | 30 June<br>2014<br>\$ | 30 June<br>2013<br>\$ |
| <b>Audit and other assurance services</b>                 |                       |                       |
| Audit and review of financial statements                  | 26,000                | 13,378                |
| Audit of compliance plan                                  | 20,000                | 1,429                 |
| Total remuneration for audit and other assurance services | <u>46,000</u>         | <u>14,807</u>         |
| <b>Taxation services</b>                                  |                       |                       |
| Tax compliance services                                   | 5,000                 | 3,400                 |
| Total remuneration for taxation services                  | <u>5,000</u>          | <u>3,400</u>          |
| <b>Total remuneration of auditor</b>                      | <u>51,000</u>         | <u>18,207</u>         |

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

|   | Year ended                |                           |
|---|---------------------------|---------------------------|
|   | 30 June<br>2014<br>\$'000 | 30 June<br>2013<br>\$'000 |
| <b>Financial assets</b>   |                           |                           |
| Net realised loss on financial assets held at fair value through profit or loss   | (1,092)                   | (5,339)                   |
| Net unrealised gain on financial assets held at fair value through profit or loss | <u>1,293</u>              | <u>2,584</u>              |
| Net gains/(losses) on financial assets held at fair value through profit or loss  | <u>201</u>                | <u>(2,755)</u>            |

## 8 Net assets attributable to unitholders

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

|  | Year ended                 |                            |                           |                           |
|--|----------------------------|----------------------------|---------------------------|---------------------------|
|  | 30 June<br>2014<br>No.'000 | 30 June<br>2013<br>No.'000 | 30 June<br>2014<br>\$'000 | 30 June<br>2013<br>\$'000 |
| Opening balance                                    | 14,797                     | 16,847                     | 96,084                    | 112,985                   |
| Applications                                       | 481                        | 206                        | 3,153                     | 1,378                     |
| Redemptions  | (2,826)                    | (3,578)                    | (18,446)                  | (24,294)                  |
| Units issued upon reinvestment of distributions    | 25                         | 1,322                      | 161                       | 8,880                     |
| Decrease in net assets attributable to unitholders | -                          | -                          | (320)                     | (2,865)                   |
| Closing balance                                    | <u>12,477</u>              | <u>14,797</u>              | <u>80,632</u>             | <u>96,084</u>             |

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

### Capital risk management

The Trust considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Trust is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Trust's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Trust Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

The capital of the Trust is managed by an external investment manager, van Eyk Research Pty Ltd (ABN 99 010 664 632, AFSL 237917), who is mandated to invest the Trust's capital according to the investment mandate as described in the current Product Disclosure Statement. The capital that is managed includes amounts owed to unitholders as above and any bank overdraft that may be drawn down to purchase investments. The maximum that may be drawn is 35% of the net tangible assets of the Trust at any time.

## 9 Distributions to unitholders

The distributions for the year were as follows:

|                       | 30 June      | Year ended   |              | 30 June      |
|-----------------------|--------------|--------------|--------------|--------------|
|                       | 2014         | 30 June      | 30 June      | 30 June      |
|                       | \$'000       | 2014         | 2013         | 2013         |
|                       |              | CPU          | \$'000       | CPU          |
| Distributions paid    | 638          | 4.50         | 1,664        | 10.00        |
| Distributions payable | <u>1,002</u> | <u>8.00</u>  | <u>704</u>   | <u>4.67</u>  |
| Total distributions   | <u>1,640</u> | <u>12.50</u> | <u>2,368</u> | <u>14.67</u> |

## 10 Cash and cash equivalents

|              | As at      |              |
|--------------|------------|--------------|
|              | 30 June    | 30 June      |
|              | 2014       | 2013         |
|              | \$'000     | \$'000       |
| Cash at bank | <u>758</u> | <u>1,594</u> |
| Total        | <u>758</u> | <u>1,594</u> |

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

|   | As at          |                |
|---|----------------|----------------|
|   | 30 June        | 30 June        |
|   | 2014           | 2013           |
|   | Fair value     | Fair value     |
|   | \$'000         | \$'000         |
| <b>Designated at fair value through profit or loss</b>                  |                |                |
| Australian unlisted unit trust  | <u>114,815</u> | <u>128,870</u> |
| Total designated at fair value through profit or loss                   | <u>114,815</u> | <u>128,870</u> |
| <b>Total financial assets held at fair value through profit or loss</b> | <u>114,815</u> | <u>128,870</u> |

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

## 12 Bank overdraft

|                                  | As at                     |                           |
|----------------------------------|---------------------------|---------------------------|
|                                  | 30 June<br>2014<br>\$'000 | 30 June<br>2013<br>\$'000 |
| <b>Secured</b>                   |                           |                           |
| Bank overdraft                   | <u>35,000</u>             | <u>35,000</u>             |
| Total secured current borrowings | <u>35,000</u>             | <u>35,000</u>             |

The Trust has a loan agreement with the Commonwealth Bank of Australia ("CBA") (Credit rating AA-). Some of the Trust's assets are pledged as collateral for amounts drawn under the overdraft facility. The loan rolls annually with interest being paid on a 6 monthly basis. The facility has been fully drawn to the total maximum value of \$35,000,000. The net assets value ("NAV") required to be maintained by the Trust to satisfy liquidity ratio conditions, in line with the loan agreement is \$90 million. On 21 March 2012, the minimum NAV fell below \$90 million (NAV as at 30 June 2014 is \$80,632,157). This was due to a significant number of redemptions being paid, not being offset by Trust inflows. The matter is currently under review by the CBA with negotiations continuing to re-align the minimum NAV requirements.

### Undrawn borrowing facilities

The Trust can draw up to \$35 million on the overdraft facility to the extent that certain leverage ratios remain in place.

## 13 Related party transactions

### Responsible Entity

The Responsible Entity of van Eyk Blueprint Alternatives Plus is Millinium Capital Managers Limited.

### Key management personnel compensation

Key management personnel are paid by Millinium Capital Managers Limited. Payments made from the Trust to Millinium Capital Managers Limited do not include any amounts directly attributable to the compensation of key management personnel.

### Responsible Entity's/Manager's fees and other transactions

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

(i) management fee payable to the Responsible Entity is 0.205% (GST inclusive, net of RITC) per annum.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register are reimbursed in accordance with the Trust Constitution.

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

|  | 30 June<br>2014<br>\$ | 30 June<br>2013<br>\$ |
|--|-----------------------|-----------------------|
| Management fees for the year paid/payable by the Trust to the Responsible Entity     | <u>309,512</u>        | <u>302,718</u>        |
| Management fees payable to the Responsible Entity at the end of the reporting period | <u>68,465</u>         | <u>22,363</u>         |

### Related party unitholdings

There was no interest in the Trust held by other managed investment schemes also managed by the Responsible Entity.

### Investments

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

## 14 Reconciliation of profit/(loss) to net cash inflow from operating activities

|  | 30 June<br>2014<br>\$'000 | 30 June<br>2013<br>\$'000 |
|--|---------------------------|---------------------------|
| <b>(a) Reconciliation of profit/(loss) to net cash inflow from operating activities</b>  |                           |                           |
| Decrease in net assets attributable to unitholders   | (320)                     | (2,865)                   |
| Proceeds from sale of financial instruments held at fair value through profit or loss  | 14,257                    | 22,804                    |
| Purchases of financial instruments held at fair value through profit or loss   | -                         | (500)                     |
| Distributions to unitholders   | 1,640                     | 2,368                     |
| Net (gains)/losses on financial instruments held at fair value through profit or loss  | (201)                     | 2,755                     |
| Distributions received reinvested  | -                         | (3,581)                   |
| Net change in receivables and other assets   | 166                       | 5,903                     |
| Net change in payables and other liabilities   | 96                        | (43)                      |
| <b>Net cash inflow from operating activities</b>   | <b><u>15,638</u></b>      | <b><u>26,841</u></b>      |
| <b>(b) Non-cash financing activities</b>   |                           |                           |
| During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan | <u>161</u>                | <u>8,880</u>              |

As described in Note 2(j), income not distributed is included in net assets attributable to unitholders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

## 15 Events occurring after the reporting period

The Responsible Entity has since its appointment commenced a restructure of the Fund.

On 9 July 2014 the Responsible Entity announced changes to the Fund's operation and service providers. The Responsible Entity has appointed Australian Executor Trustees Limited as custodian for the Fund and Fund BPO Pty Limited as administrator.

The Responsible Entity has also been in communication with the Lender of the Fund including the reduction of the lending arrangements to the Fund and costs involved. On 19 August 2014, the Responsible Entity has agreed by 31 August 2014 to reduce the principal loan amount on behalf of the Fund. The Lender sought an initial amount of \$5,000,000 to be amortised with further timings for repayment to be finalised. The Loan is due for review on 1 November 2014. The Responsible Entity considers it prudent to reduce debt levels for the Fund.

The Responsible Entity has formed the view that the Fund's present fund structure and investment strategy is not competitive to produce ongoing performance for investors. The Investment Manager's strategy will be terminated and a restructure program will be implemented by the Responsible Entity within the next month to begin to re-establish investor confidence.

The Responsible Entity is also of the view that any withdrawal timings and restructure of the Fund will be made in a co-ordinated manner in the interests of all unit holders following any announcements to them.

Other than the matter discussed above, no significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the Statement of Financial Position as at 30 June 2014 or on the results and cash flows of the Trusts for the year ended on that date.

## 16 Commitments

There were no commitments for expenditure at 30 June 2014 (2013: Nil).

## 17 Contingent assets and liabilities

There were no contingent assets and liabilities at 30 June 2014 (2013: Nil).

## Directors' declaration

The directors of the Responsible Entity declare that:

- (a) in the directors opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) in the director's opinion, the attached financial statements are in compliance with International Financial Reporting Standards as stated in Note 2(a) to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Trust; and
- (d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors of the Responsible Entity of Millinium Capital Managers Limited.

David Grey

Director

Sydney, NSW  
20 September 2014

## **Corporate Governance Statement**

### **Corporate Structure**

The van Eyk Blueprint Alternatives Plus (the "Trust") is a registered Managed investment scheme under the *Corporations Act 2001*, and Millinium Capital Managers Limited ("Millinium") is the Responsible Entity of the Trust.

A Responsible Entity (the "RE") of a scheme must perform the duties detailed in the Constitution of the Trust and those regulated by the *Corporations Act*. The duties of the RE include, amongst other things:

- Acting honestly
- Exercising a duty of care and diligence
- Act in the best interest of unitholders
- Treat unitholders equally where they hold the same class
- Treat unitholders fairly where they hold different classes
- Make sure the Trust property is valued at regular intervals
- Ensure that all payments from the Trust are in accordance with the Constitution
- Report any breaches that may have a material adverse impact on the interests of unitholders
- Make sure that information acquired through being the RE is not used to gain advantage for the RE or used to harm the interests of unitholders.

### **The Board**

The Board of Millinium Capital Managers Limited is responsible for ensuring that relevant corporate governance standards are applied. The names of the directors are set out in the Directors' Report. None of the directors are independent as all have an equity interest, either directly or indirectly, in the shares of Millinium. These directors each have a number of years of experience in the funds management industry, the duties of the RE and in the Trust. The independence obligations of the Board are fulfilled by the Compliance Committee.

The RE has an established code of conduct which covers Directors and staff, and is available at Millinium's website at [www.millinium.com.au](http://www.millinium.com.au). This code of conduct, together with the Compliance Committee Charter, also covers Millinium's compliance with legal obligations and the interest of other stakeholders.

In addition, the RE operates the Trust as a scheme under the *Corporations Act* and therefore the RE must comply with the Compliance Plan lodged with ASIC prior to units in the Trust being issued. The Corporate Governance of the Trust is regulated by the Compliance Committee, which must have a majority of independent members. The Compliance Committee operate under a Compliance Committee charter, and is responsible for monitoring the RE's compliance with the Compliance Plan and reporting any breaches to the Board of the RE and ASIC. It is also responsible for reviewing the operations on the RE.

### **Financial Reporting**

The auditor of the Compliance Plan must be different from the auditor of the RE and the Trust and both report independently to the Compliance Committee. The CEO and COO provide written sign off to the board and the compliance committee on the veracity of the financial reporting systems and the risk management procedures outlined below.

The RE Board reviews the results of the of the external audit process of the Trust and the Compliance Plan to ensure:

- That the Compliance Plan and Trust auditor are appropriately qualified, and legally eligible to act at all times
- That the terms of their appointment are appropriate and accord with the *Corporations Act*
- That the auditors have access to all relevant information as required
- That the auditors conduct all enquiries and provide all reports as required by the *Corporations Act*

The external auditors are invited to attend board and compliance meetings where financial reports and compliance plan audits are discussed.

### **Public Disclosure**

The Board believes that market sensitive information should be released as quickly as possible and has policies in place to ensure that the Trust meets its disclosure obligations under the ASX Listing Rules.

### **Rights of Unitholders**

The Constitution of the Trust and the *Corporations Act* governs the rights of unitholders, including their rights to the income and assets of the Trust. The RE is not required to hold an annual general meeting of unitholders, however a meeting may be called by unitholders with at least 5% of the votes that may be cast on a resolution or by 100 unitholders who are entitled to vote.

### **Risk Management and Oversight**

The RE manages risks in the Trust through the following methods:

- Appointment of an appropriately qualified external asset manager, reviewed quarterly
- Appointment of appropriately qualified service providers, such as registry, administration and custody
- Compliance with all of ASIC's and ASX's policies and guidelines
- Recording and reporting complaints by unitholders

The Compliance Committee meets and reviews all external service providers on a quarterly basis. The board of the RE reviews the management contracts of external managers and investment advisers, which are publicly available contracts. Key terms are disclosed in the current Product Disclosure Statement which is available at [www.millinium.com.au](http://www.millinium.com.au), as well as summarised in this Annual Report.

### **Corporate Governance Practices of Millinium and the Trust**

The Trust and Millinium have complied with all the Corporate Governance Principles as at 30 June 2014, except where stated below.

## Unitholder information

The following unitholder information set out below was applicable as at 30 June 2014.

| Distribution of holdings | Number of unitholders |
|--------------------------|-----------------------|
| 1 -1,000                 | 133                   |
| 1,001 - 5,000            | 35                    |
| 5,001 - 10,000           | 11                    |
| 10,001 - 100,000         | 6                     |
| 100,001 and over         | 7                     |
| <b>Total</b>             | <b>192</b>            |

### Top 20 Unitholders

The names of the largest twenty unitholders in the Trust as at 30 June 2014 are listed below:

| Name   | Number held       | Percentage of total |
|--|-------------------|---------------------|
| Bond Street Custodians Limited <van Eyk Blueprint Bal A/C>                     | 6,177,245         | 49.510              |
| Suncorp Portfolio Services Ltd ATF Optimum Pooled Superannuation Trust         | 1,782,902         | 14.290              |
| Bond Street Custodians Limited <van Eyk Blue High Growth A/C>                  | 1,677,263         | 13.443              |
| The Public Trust <ACF Perp Asset Management Nom A/C>                           | 1,405,057         | 11.261              |
| Bond Street Custodians Limited <van Eyk Blue Capital Stable A/C>               | 562,066           | 4.505               |
| Investment Custodial Services Limited <A/C>                                    | 324,977           | 2.605               |
| BNP Paribas Noms Pty Ltd <DRP>   | 210,505           | 1.687               |
| Jakajamina Pty Ltd <JC Lea Family A/C>   | 30,599            | 0.245               |
| Balmoral Super Pty Ltd <Balmoral Superfund A/C>                                | 30,000            | 0.240               |
| GM Taylor Pty Ltd <Marilyn Taylor S/F A/C>                                     | 17,552            | 0.141               |
| GM Taylor Pty Ltd <GordonTaylor S/F A/C>                                       | 13,147            | 0.105               |
| BT Portfolio Services Limited <Mr John C Stuart App A/C>                       | 12,526            | 0.100               |
| Fowler Pty Ltd <Archill Cons Prov Fund A/C>                                    | 11,350            | 0.091               |
| Ms Dora Mignone <Super Fund A/C>   | 10,000            | 0.080               |
| PA & LM Investments Pty Ltd <Carter Super Fund A/C>                            | 10,000            | 0.080               |
| Mr Michael Edward Sexton & Mrs Katherine Mary Sexton <Septimus Super Fund A/C> | 10,000            | 0.080               |
| Asgard Capital Management Ltd <1070027D201 C Fox A/C>                          | 9,783             | 0.078               |
| Managed Securities Pty Ltd <Family Investments St A/C>                         | 9,301             | 0.075               |
| Clickia Pty Ltd <C & IW Milne Super Fund A/C>                                  | 8,000             | 0.064               |
| Mr Brian John Outten & Mr Christopher John Outten <Outten Family S/F A/C>      | 7,610             | 0.061               |
| <b>Total</b>   | <b>12,319,883</b> | <b>98.741</b>       |

The information is summarised from registry information received by the Responsible Entity.

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