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# **Ophir High Conviction Fund**

ARSN 620 920 201

## **Appendix 4E**

**For the year ended 30 June 2019**

## Preliminary Final Report

This preliminary final report is for the reporting period from 1 July 2018 to 30 June 2019. The previous corresponding year end was 30 June 2018.

### Results for announcement to the market

|  | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>\$'000 | Percentage<br>increase/(decrease) over<br>corresponding year end |
|--|---------------------------|---------------------------|--|
| Net assets attributable to unitholders | \$521,135                 | \$633,958                 | (17.80)%   |
| Total investment income/(loss)         | \$39,239                  | \$116,932                 | (66.44)%   |
| Operating profit/(loss)                | \$26,312                  | \$104,842                 | (74.90)%   |

### Brief explanation of results

The \$26,312,000 net profit attributable to unitholders for the year represented a 74.90% decrease on the year ended 30 June 2018. Both the decrease in revenue and decrease in net profit were due to a decrease in unrealised gains for the year.

As of 30 June 2019, the net assets of the Fund were \$521,135,000, a 17.80% decrease from the balance as at 30 June 2018. The decrease in assets was a result of distributions paid to unitholders throughout the year. The three classes of units previously on issue were redeemed on 12 December 2018 and a new class of units of equal value were issued to eligible unitholders to enable the Fund to be listed on the ASX on 19 December 2018.

### Distribution information

|               | Cents per<br>share | Total<br>amount<br>\$'000 | Record<br>date | Date of<br>payment |
|---------------|--------------------|---------------------------|----------------|--------------------|
| <b>2019</b>   |                    |                           |                |                    |
| Ophir HCF - A | 1.1229             | 196                       | 20/07/2018     | 20/07/2018         |
| Ophir HCF - B | 13.4701            | 1,233                     | 10/09/2018     | 10/09/2018         |
| Ophir HCF     | 12.0715            | 1,095                     | 13/11/2018     | 22/11/2018         |
| Ophir HCF - A | 10.8244            | 30,553                    | 13/11/2018     | 22/11/2018         |
| Ophir HCF - C | 8.0258             | 879                       | 13/11/2018     | 22/11/2018         |

### Net tangible assets

|                                 | 30 June<br>2019 | 30 June<br>2018 |
|---------------------------------|-----------------|-----------------|
| Net tangible asset per security | 2.6053          | 1.9007*         |

\* Net tangible asset (NTA) per security as at 30 June 2018 represents the average NTA across all three classes of units.

**Other information**

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

The Fund does not have associates or joint venture entities.

The Fund is not a foreign entity.

Additional Appendix 4E disclosure requirements can be found in the Notes to the Financial Statements for the year ended 30 June 2019.

**Audit**

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

Sydney  
30 August 2019

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# **Ophir High Conviction Fund**

ARSN 620 920 201

## **Annual Report**

**For the year ended 30 June 2019**

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# Ophir High Conviction Fund

ARSN 620 920 201

## Annual Report

### For the year ended 30 June 2019

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These financial statements cover Ophir High Conviction Fund as an individual entity.

The Responsible Entity of Ophir High Conviction Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235 150).

The Responsible Entity's registered office is:

Level 18 Angel Place  
123 Pitt Street  
Sydney NSW 2000

**Investment Manager's Report**

**Performance summary**

The Ophir High Conviction Fund's investment portfolio delivered a net return of 7.1% for the year ended 30 June 2019, outperforming its index by 4.2%. Whilst this annual return was well down on the +20.8% per annum returns since inception in August 2015, we were pleased with the Fund's performance for the following reasons:

1. The 2019 financial year will go down as one of the toughest to navigate for Australian share market investors in the last 10 years. In the December quarter the market fell sharply with the S&P/ASX Small Ordinaries Accumulation Index falling -13.4%. However, after the US Federal Reserve signaled that it would put further interest rate increases on hold to support growth, equities markets roared back to life catching many off guard with the S&P/ASX Small Ordinaries Accumulation Index posting a gain of +11.2%.
2. It is always difficult to back up an exceptionally strong year with another very strong year. In the 2018 financial year it is easy to forget that the Fund delivered +33.4% after fees.

While the Fund has historically returned on average above 20% per annum after fees, there will be years we significantly underperform this depending how the market is behaving. As always, we will continue to work as hard as we can to generate superior returns for our investors over the medium to long term.

**Table 1 - Portfolio performance to 30 June 2019**

|                              | <b>Gross Performance</b> | <b>Ophir High Conviction Fund NAV</b> | <b>Index*</b> | <b>Outperformance</b> |
|------------------------------|--------------------------|---------------------------------------|---------------|-----------------------|
| 6 Months to 30 June 2019     | 24.2%                    | 22.3%                                 | 16.1%         | 6.2%                  |
| 6 Months to 31 December 2018 | -11.9%                   | -12.4%                                | -11.4%        | -1.0%                 |
| 1 Year                       | 9.4%                     | 7.1%                                  | 2.9%          | 4.2%                  |
| 2 Year p.a.                  | 22.4%                    | 19.5%                                 | 10.3%         | 9.2%                  |
| 3 Year p.a.                  | 16.2%                    | 13.8%                                 | 11.4%         | 2.4%                  |
| Since Inception p.a.         | 25.6%                    | 20.8%                                 | 11.9%         | 8.9%                  |
| Cumulative Performance       | 143.7%                   | 109.2%                                | 55.2%         | 54.0%                 |

*\*50% S&P/ASX Midcap 50 Accumulation Index (XMDAI) 50% SP/ASX Small Ordinaries Accumulation Index (XSOAI)  
All returns quoted assume distributions are reinvested.*

Building a portfolio of companies which we believe are underpriced is a key component of the Fund delivering returns for our investors. However, given the Fund's high conviction nature it is equally important that the Fund's largest holdings are those for which we have the greatest level of conviction. Pleasingly, the three largest contributors to returns during the year (Afterpay Touch (APT), a2 Milk (A2M) and Cleanaway Waste Management (CWY)) were top 5 holdings throughout the year.

Not all our top 5 holdings were positive contributors to returns with Reliance Worldwide Corporate (RWC) a significant detractor following the downgrading of its earnings guidance in May. We have reduced the portfolio weighting, as the business has been less defensive in a slowing market than we had anticipated.

| Top 10/Bottom 10 Contributors to Performance FY 2019 |                             |
|--|-----------------------------|
|  | Contribution to Performance |
| Afterpay Touch Group Ltd.                            | 8.3%                        |
| a2 Milk Company Ltd.                                 | 2.4%                        |
| Cleanaway Waste Management Ltd.                      | 2.2%                        |
| Breville Group Limited                               | 1.5%                        |
| Evolution Mining Limited                             | 1.5%                        |
| Xero Limited   | 1.2%                        |
| Resmed Inc   | 1.0%                        |
| Navitas Limited                                      | 1.0%                        |
| Northern Star Resources Ltd                          | 0.9%                        |
| Nanosonics Limited                                   | 0.8%                        |
| Z Energy Ltd.  | -0.7%                       |
| Domino's Pizza Enterprises Limited                   | -0.7%                       |
| Mcmillan Shakespeare Limited                         | -0.8%                       |
| SpeedCast International Ltd                          | -0.8%                       |
| Carsales.Com Limited                                 | -0.8%                       |
| Pushpay Holdings Ltd                                 | -0.9%                       |
| Lovisa Holdings Ltd.                                 | -1.0%                       |
| Nextdc Limited                                       | -1.2%                       |
| Freedom Foods Group Limited                          | -1.2%                       |
| Reliance Worldwide Corp. Ltd.                        | -1.7%                       |

### Outlook and portfolio positioning

During the June quarter a trifecta of domestic stimulus measures (i.e. income tax cuts, APRA easing interest servicing buffers and the RBA's 0.25% cut in interest rates) were announced which should provide some short term relief to cyclical companies that are heavily reliant on the Australian consumer. However, we are of the view that is unlikely to act as a cure in the longer term to the structural headwinds impacting the Australian economy. For this reason, we continue to recycle out of companies that are more exposed to the Australian consumer and add companies that are more defensive in nature whilst still having the ability to meaningfully grow. For example, we have recently added AUB Group (AUB) to the portfolio as the defensive nature of the insurance broking industry means that it is less sensitive to the economic cycle.

### Distribution

In advance of the Fund's listing on the ASX on 19 December 2018, the Fund made an interim distribution on 13 November 2018. This distribution comprised significant realised capital gains from selling stocks that had contributed positively to performance in previous years. This meant that there was no remaining income to distribute as at 30 June 2019. We acknowledge that this is not ideal for those investors anticipating a year end distribution. We note that for the 2020 financial year the distribution cycle will go back to normal with a single end June distribution, subject to fund performance.

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## **Background**

The Trust Company (RE Services) Limited (“Responsible Entity”) is the responsible entity for the Ophir High Conviction Fund (“Fund”), a registered managed investment scheme that is listed on the Australian Securities Exchange (“ASX”).

The Responsible Entity is a wholly-owned subsidiary of Perpetual Limited (ASX: PPT) (“Perpetual”).

The Responsible Entity is reliant on Perpetual for access to adequate resources including directors, management, staff, functional support (such as company secretarial, responsible managers, legal, compliance and risk, finance) and financial resources. During the year and up to the date of this report, Perpetual has at all times made such resources available to the Responsible Entity.

In operating the Fund the Responsible Entity’s overarching principle is to always act in good faith and in the best interests of the Fund’s unitholders, in accordance with our fiduciary duty. The Responsible Entity’s duties and obligations in relation to the Fund principally arise from: the Constitution of the Fund; the Compliance Plan for the Fund; the Corporations Act 2001 (“Act”); the ASX Listing Rules; the Responsible Entity’s Australian Financial Services License; relevant regulatory guidance; relevant contractual arrangements; and other applicable laws and regulations.

## **Corporate Governance**

At Perpetual, good corporate governance includes a genuine commitment to the ASX Corporate Governance Council Principles and Recommendations (ASX Principles).

The Directors of the Responsible Entity are committed to implementing high standards of corporate governance in operating the Fund and, to the extent applicable to registered schemes, are guided by the values and principles set out in Perpetual’s Corporate Responsibility Statement and the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (“Principles”). The Responsible Entity is pleased to advise that, to the extent the Principles are applicable to registered schemes; its practices are largely consistent with the Principles.

As a leading independent responsible entity, the Responsible Entity operates a number of registered managed investment schemes (“Schemes”). The Schemes include the Fund as well as other schemes that are listed on the ASX. The Responsible Entity’s approach in relation to corporate governance in operating the Fund is consistent with its approach in relation to the Schemes generally.

The Responsible Entity addresses each of the Principles that are applicable to externally managed listed entities in relation to the Schemes, including the Fund, for the year ended 30 June 2019. This corporate governance statement is current as at the date of the Fund’s financial report and has been approved by the Responsible Entity board.

### **Principle 1 - Lay solid foundations for management and oversight**

The role of the Responsible Entity’s Board (“RE Board”) is generally to set objectives and goals for the operation of the Responsible Entity and the Schemes, to oversee the Responsible Entity’s management, to regularly review performance and to monitor the Responsible Entity’s affairs acting in the best interests of the unitholders of each of the Schemes. The RE Board is accountable to the unitholders of each of the Schemes, and is responsible for approving the Responsible Entity’s overall objectives and overseeing their implementation in discharging their duties and obligations and operating the Schemes.

The role of the Responsible Entity’s management is to manage the business of the Responsible Entity in operating the Schemes. The RE Board delegates to management all matters not reserved to the RE Board, including the day-to-day management of the Responsible Entity and the operation of the Schemes. Directors, management and staff are guided by Perpetual’s Code of Conduct which is designed to assist them in making ethical business decisions.

**Principle 2 - Structure the board to add value**

At present the RE Board consists of 4 executive directors and 2 alternate directors. The names of the current Directors and year of appointment is provided below:

|                               |      |
|-------------------------------|------|
| Glenn Foster                  | 2015 |
| Michael Vainauskas            | 2015 |
| Andrew McIver (Alternate)     | 2017 |
| Vicki Riggio                  | 2018 |
| Richard McCarthy              | 2018 |
| Phillip Blackmore (Alternate) | 2018 |

As the RE Board consists of only executive directors, a Compliance Committee is appointed in relation to each of the Schemes (refer to Principle 7). The Committee has a majority of independent members and is chaired by an independent member who is not the chair of the RE Board.

**Principle 3 - Promote ethical and responsible decision-making**

The Responsible Entity has a Code of Conduct and espoused Core Values and a further values framework known as "The Way We Work" within which it carries on its business and deals with its stakeholders. These apply to all directors and employees of Perpetual, and the Responsible Entity. The Code of Conduct and Core Values, and supporting Risk framework supports all aspects of the way the Responsible Entity conducts its business and is embedded into Perpetual's performance management process. The Code of Conduct is available on Perpetual's website ([www.perpetual.com.au](http://www.perpetual.com.au)).

**Principle 4 - Safeguard integrity in financial reporting**

The RE Board does not have an audit committee. Under delegation by the RE Board, the Responsible Entity Services management and staff operate within a Compliance and Risk Management framework with specific policies and procedures designed to ensure that the Trust's financial reports are true and fair and meet high standards of disclosure and audit integrity; and other reports released on ASX are materially accurate and balanced.

This includes policies relating to the preparation, review and sign off process required for the Trust's financial reports including the operation of an Internal Review Accounts Committee and RE Board approval process, the engagement of the Trust independent auditors and the review and release of certain reports on the ASX.

The declarations under section 295A of the Corporations Act 2001 (the Act) provide formal statements to the RE Board in relation to the Trust (refer to Principle 7). The declarations confirm the matters required by the Act in connection with financial reporting. The Responsible Entity receives confirmations from the service providers involved in financial reporting and management of the Trust, including the Investment Manager. These confirmations together with the overarching Responsible Entity's Risk and Compliance Framework which includes the service provider oversight framework assist its staff in making the declarations provided under section 295A of the Act.

The Responsible Entity manages the engagement and monitoring of independent 'external' auditors for the Trust. The RE Board receives periodic reports from the external auditors in relation to financial reporting and the compliance plan for the Trust.

**Principle 5 - Make timely and balanced disclosure**

The Responsible Entity has a continuous disclosure policy to ensure compliance with the continuous disclosure requirements of the Act and the ASX Listing Rules in relation to the Fund. The policy requires timely disclosure of information to be reported to the Responsible Entity's management and/or Directors to ensure that, information that a reasonable person would expect to have a material effect on the unit price or would influence an investment decision in relation to any of the Fund, is disclosed to the market. The Responsible Entity's employees assist management and/or the Directors in making disclosures to the ASX after appropriate consultation. The Responsible Entity requires service providers, including the Investment Manager, to comply with its policy in relation to continuous disclosure for the Fund.

**Principle 6 - Respect the rights of unitholders**

The Responsible Entity is committed to ensuring timely and accurate information about the Fund is available to security holders via the Fund's website. All ASX announcements are promptly posted on the Fund's website: ophiram.com. The annual and half year results financial statements and other communication materials are also published on the website.

In addition to the continuous disclosure obligations, the Responsible Entity receives and responds to formal and informal communications from unitholders and convenes formal and informal meetings of unitholders as requested or required. The Responsible Entity has an active program for effective communication with the unitholders and other stakeholders in relation to Fund.

The Responsible Entity handles any complaints received from unitholders in accordance with Perpetual's Complaints Handling Policy. The Responsible Entity is a member of the Australian Financial Complaints Authority (AFCA), an independent dispute resolution body, which is available to unitholders in the event that any complaints cannot be satisfactorily resolved by the Responsible Entity.

The RE is also committed to communicating with shareholders electronically in relation to communications from the share registry. Shareholders may elect to receive information from the Company's share registry electronically.

**Principle 7 - Recognise and manage risk**

The RE values the importance of robust risk management systems and maintains a current risk register as part of its formal risk management program. The RE has established a Compliance Committee, comprised of Michelene Collopy (Chairperson), Virginia Malley and Michael Vainauskas.

The Compliance Committee meets at least quarterly. In the 2018/19 financial reporting period all five meetings held were attended by all Compliance Committee members. The Compliance Committee Charter sets out its role and responsibilities, which is available on request. The Compliance Committee is responsible for compliance matters regarding the RE's Compliance Plan and Constitution and the Corporations Act.

Perpetual's Audit, Risk and Compliance Committee is responsible for oversight of the Perpetuals risk management and internal control systems. The Audit, Risk and Compliance Committee is comprised of Ian Hammond, Philip Bullock, Nancy Fox, Craig Ueland. In the 2018/19 financial reporting period there were six meetings held, each of which were attended by all members. The Audit, Risk and Compliance Committee terms of reference sets out its role and responsibilities. This can be obtained on the Perpetual website. The majority of the Compliance Committee and the Audit, Risk and Compliance Committee members are independent and are each chaired by independent members.

The RE manages the engagement and monitoring of independent external auditors for the Fund. The RE board receives periodic reports in relation to financial reporting and the compliance plan audit outcomes for the Fund.

Perpetual has a risk management framework in place which is reviewed annually. The declarations under section 295A of the Act provide assurance regarding sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. The RE also receives appropriate declarations from the service providers involved in financial reporting.

**Principle 7 - Recognise and manage risk (continued)**

Perpetual has an Internal Audit function which reports functionally to Perpetual Limited Audit Risk & Compliance Committee (ARCC), and for administrative purposes, through the General Manager - Risk & Internal Audit, and is independent from the external auditor. Perpetual Internal Audit establishes a risk based audit plan each year that is approved formally by the ARCC, and executes internal audits of Perpetual Business Units in accordance with the plan. The plan is re-assessed quarterly and reviewed to ensure that it is dynamic and continues to address the key risks faced by the Group. Progress against the plan, changes to the plan, and the results of audit activity are reported quarterly to the ARCC.

Investments made by the Fund may have a material exposure to economic, environmental and sustainability risks which are evaluated as part of the investment decision making process.

**Principle 8 - Remunerate fairly and responsibly**

The fees and expenses which the RE is permitted to pay out of the assets of the Fund are set out in the Fund constitution. The Fund financial statements provide details of all fees and expenses paid by the Fund during the financial period.

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## Directors' Report

The Trust Company (RE Services) Limited (ABN 45 003 278 831) is the responsible entity (the "Responsible Entity") of Ophir High Conviction Fund ("OPH" or the "Fund"). The Directors of the Responsible Entity (the "Directors") present their report together with the financial statements of the Fund for the year ended 30 June 2019.

### Principal activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund invests in a concentrated exposure to a high-quality portfolio of Australian listed companies outside the S&P/ASX50. The Fund may also invest in listed securities in New Zealand.

The Fund was constituted on 23 July 2015 and commenced operations on 31 August 2015.

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

The Fund did not have any employees during the year.

### Directors

The Directors of The Trust Company (RE Services) Limited during the year and up to the date of this report are shown below. The Directors were in office for this entire period except where stated otherwise:

Glenn Foster

Christopher Green (resigned 17 October 2018)

Michael Vainauskas

Andrew McIver (Alternate Director for Michael Vainauskas)

Vicki Riggio

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

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

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

Richard McCarthy (appointed 17 October 2018)

### Review and results of operations

During the year, the Fund invested in accordance with the investment objective and guidelines as set out in the governing documents of the Fund and in accordance with the provision of the Fund's Constitution.

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

|   | <b>Year ended</b>       |                 |
|---|-------------------------|-----------------|
|   | <b>30 June<br/>2019</b> | 30 June<br>2018 |
| Operating profit/(loss) for the year (\$'000) | <u>26,312</u>           | 104,842         |
| <i>Distributions Ophir HCF</i>                |                         |                 |
| Distributions paid (\$'000)                   | <u>1,095</u>            | 1,158           |
| Distributions (cents per unit)                | <u>12.0715</u>          | 13.6299         |
| <i>Distributions Ophir HCF - A</i>            |                         |                 |
| Distributions paid (\$'000)                   | <u>30,749</u>           | 7,659           |
| Distributions (cents per unit)                | <u>11.9415</u>          | 2.5363          |

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**Ophir High Conviction Fund  
Directors' Report  
For the year ended 30 June 2019  
(continued)**

**Review and results of operations (continued)**

|  | <b>Year ended</b>       |                         |
|--|-------------------------|-------------------------|
|  | <b>30 June<br/>2019</b> | <b>30 June<br/>2018</b> |
| <i>Distributions Ophir HCF - B</i>     |                         |                         |
| Distributions paid (\$'000)            | <b>1,233</b>            | 1,976                   |
| Distributions (cents per unit)         | <b>13.4701</b>          | 6.8755                  |
| <br><i>Distributions Ophir HCF - C</i> |                         |                         |
| Distributions paid (\$'000)            | <b>879</b>              | -                       |
| Distributions (cents per unit)         | <b>8.0258</b>           | -                       |

**Significant changes in state of affairs**

On 29 November 2018, a new Product Disclosure Statement ("PDS") was issued and lodged as part of the listing application with the ASX. Consequently, the three classes of units previously on issue were redeemed on 12 December 2018 and a new class of units of equal value was issued to eligible unitholders to enable the Fund to be listed on the ASX.

On 12 December 2018, Link Fund Solutions Pty Limited retired as Registrar of the Fund. On the same date, Boardroom Pty Limited was appointed as Registrar of the Fund.

On 19 December 2018, the Fund was admitted to the official list of ASX Limited and official quotation of its securities commenced on 19 December 2018 trading under the code OPH.

On 21 June 2019, the Responsible Entity of the Fund amended the terms and conditions of the Dividend Reinvestment Plan (DRP) to allow participation by Singaporean investors.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Fund has occurred during the year.

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

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect:

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

**Likely developments and expected results of operations**

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

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

**Indemnification and insurance of officers and auditors**

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of the Responsible Entity or the auditors of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditors of the Fund is in no way indemnified out of the assets of the Fund.

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**Fees paid to and interests held in the Fund by the Responsible Entity or its associates**

Fees paid to the Responsible Entity and its associates out of the Fund's property during the year are disclosed in Note 15 to the financial statements.

No fees were paid out of Fund's property to the Directors of the Responsible Entity during the year.

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

**Units in the Fund**

The movement in units on issue in the Fund during the year is disclosed in Note 7 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in 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 Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

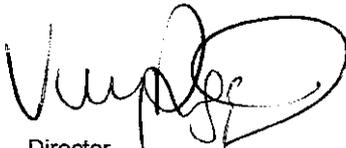
**Rounding of amounts to the nearest thousand dollars**

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

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

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



Director  
The Trust Company (RE Services) Limited

Sydney  
30 August 2019



**Building a better  
working world**

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## **Auditor's Independence Declaration to the Directors of The Trust Company (RE Services) Limited as Responsible Entity for Ophir High Conviction Fund**

As lead auditor for the audit of the financial report of Ophir High Conviction Fund for the year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

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

*Ernst & Young*

Ernst & Young

Rohit Khanna  
Partner  
Sydney  
30 August 2019

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**Ophir High Conviction Fund**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2019**

**Statement of Comprehensive Income**

|  | Notes | Year ended                |                           |
|--|-------|---------------------------|---------------------------|
|  |       | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>\$'000 |
| <b>Investment income</b>   |       |                           |                           |
| Interest income from financial assets at amortised cost                          |       | 767                       | 563                       |
| Dividend income  |       | 7,793                     | 7,362                     |
| Net gains/(losses) on financial instruments at fair value through profit or loss | 5     | 30,679                    | 109,007                   |
| Expense reimbursement income   |       | 68                        | -                         |
| <b>Total investment income/(loss)</b>  |       | <u>39,307</u>             | <u>116,932</u>            |
| <b>Expenses</b>  |       |                           |                           |
| Responsible Entity's fees  | 15    | 344                       | 172                       |
| Management fees  | 15    | 6,410                     | 4,427                     |
| Performance fees   | 15    | 5,020                     | 6,124                     |
| Administration fees  |       | 183                       | 150                       |
| Custody fees   |       | 81                        | 80                        |
| Remuneration of auditors   | 13    | 99                        | 29                        |
| Transaction costs  |       | 840                       | 1,080                     |
| Registry fees  |       | 13                        | -                         |
| Other operating expenses   |       | 5                         | 28                        |
| <b>Total operating expenses</b>  |       | <u>12,995</u>             | <u>12,090</u>             |
| <b>Operating profit/(loss)</b>   |       | <u>26,312</u>             | <u>104,842</u>            |
| <b>Finance costs attributable to unitholders</b>                                 |       |                           |                           |
| Distributions to unitholders*  | 8     | (33,956)                  | (10,793)                  |
| (Increase)/decrease in net assets attributable to unitholders*                   | 7     | 102,356                   | (94,049)                  |
| <b>Profit/(loss) for the year</b>  |       | <u>94,712</u>             | <u>-</u>                  |
| <b>Other comprehensive income</b>  |       | <u>-</u>                  | <u>-</u>                  |
| <b>Total comprehensive income for the year</b>                                   |       | <u>94,712</u>             | <u>-</u>                  |

\* The units previously on issue were classified as liability and redeemed on 12 December 2018. A new class of units equal value was issued on the same day to eligible unitholders and classified as equity. As a result, the Fund's distributions are no longer classified as finance costs on the Statement of Comprehensive Income, but rather as distributions paid and payable in the Statement of Changes in Equity. Refer to Note 1 and Note 7 for further detail.

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

**Ophir High Conviction Fund**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2019**  
**(continued)**

**Statement of Comprehensive Income (continued)**

|  | <b>Year ended</b> |                |
|--|-------------------|----------------|
|  | <b>30 June</b>    | <b>30 June</b> |
|  | <b>2019</b>       | <b>2018</b>    |
|  | <b>Cents</b>      | <b>Cents**</b> |
| <b>Earnings/(loss) per unit for profit attributable to unitholders of the Fund</b> |                   |                |
| Basic earnings/(loss) per unit   | <b>13.16</b>      | 43.43          |
| Diluted earnings/(loss) per unit   | <b>13.16</b>      | 43.43          |

\*\* The earnings per unit comparative data present the average of the classes previously comprising the Fund. Refer to Note 14 for further detail.

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

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**Ophir High Conviction Fund**  
**Statement of Financial Position**  
**As at 30 June 2019**

**Statement of Financial Position**

|   | Notes | As at                     |                           |
|---|-------|---------------------------|---------------------------|
|   |       | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>\$'000 |
| <b>Assets</b>   |       |                           |                           |
| Cash and cash equivalents   | 9     | 63,041                    | 104,569                   |
| Receivables   | 11    | 1,640                     | 1,030                     |
| Due from brokers - receivable for securities sold   |       | -                         | 4,413                     |
| Financial assets at fair value through profit or loss                                     | 6     | 462,384                   | 553,660                   |
| <b>Total assets</b>   |       | <b>527,065</b>            | 663,672                   |
| <b>Liabilities</b>  |       |                           |                           |
| Distributions payable   | 8     | -                         | 10,793                    |
| Payables  | 12    | 5,930                     | 7,989                     |
| Due to brokers - payable for securities purchased   |       | -                         | 10,932                    |
| <b>Total liabilities (30 June 2018: excluding net assets attributable to unitholders)</b> |       | <b>5,930</b>              | 29,714                    |
| <b>Net assets attributable to unitholders - liability*</b>                                |       | -                         | 633,958                   |
| <b>Net assets attributable to unitholders - equity*</b>                                   |       | <b>521,135</b>            | -                         |

\* Net assets attributable to unitholders are classified as equity at 30 June 2019 and as a financial liability at 30 June 2018. Refer to Note 2 and Note 7 for further details.

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

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**Ophir High Conviction Fund  
Statement of Changes in Equity  
For the year ended 30 June 2019**

**Statement of Changes in Equity**

|  | Year ended                |                           |
|--|---------------------------|---------------------------|
|  | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>\$'000 |
| <b>Total equity at the beginning of the year</b> | -                         | -                         |
| <b>Comprehensive income for the year</b>         |                           |                           |
| Profit/(loss) for the year                       | 94,712                    | -                         |
| Other comprehensive income                       | -                         | -                         |
| <b>Total comprehensive income</b>                | <u>94,712</u>             | -                         |
| Applications                                     | 426,423                   | -                         |
| Redemptions                                      | -                         | -                         |
| Reinvestment of distributions                    | -                         | -                         |
| Distributions paid and payable                   | -                         | -                         |
| <b>Total equity at the end of the year</b>       | <u>521,135</u>            | -                         |

The units previously on issue were classified as liability and redeemed on 12 December 2018. A new class of units of equal value was issued on the same day to eligible unitholders and classified as equity.

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

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**Ophir High Conviction Fund  
Statement of Cash Flows  
For the year ended 30 June 2019**

**Statement of Cash Flows**

|  | Notes | Year ended                |                           |
|--|-------|---------------------------|---------------------------|
|  |       | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>\$'000 |
| <b>Cash flows from operating activities</b>                                      |       |                           |                           |
| Proceeds from sale of financial instruments at fair value through profit or loss |       | 492,289                   | 300,127                   |
| Purchase of financial instruments at fair value through profit or loss           |       | (376,771)                 | (518,952)                 |
| Interest income received from financial assets at amortised cost                 |       | 790                       | 502                       |
| Dividends and distributions received   |       | 7,711                     | 7,347                     |
| Performance fees paid  |       | (6,776)                   | -                         |
| Management fees paid   |       | (6,966)                   | (4,246)                   |
| Custody and administration fees paid   |       | (250)                     | (130)                     |
| Transaction costs paid   |       | (841)                     | (1,159)                   |
| Expense reimbursement fees paid  |       | -                         | (34)                      |
| Other operating expenses paid  |       | (71)                      | (77)                      |
| <b>Net cash inflow/(outflow) from operating activities</b>                       | 10(a) | <b>109,115</b>            | <b>(216,622)</b>          |
| <b>Cash flows from financing activities</b>                                      |       |                           |                           |
| Proceeds from applications by unitholders  |       | 24,781                    | 302,026                   |
| Payments for redemptions by unitholders  |       | (153,554)                 | (10,622)                  |
| Distributions paid   |       | (21,870)                  | (890)                     |
| <b>Net cash inflow/(outflow) from financing activities</b>                       |       | <b>(150,643)</b>          | <b>290,514</b>            |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                      |       | <b>(41,528)</b>           | <b>73,892</b>             |
| Cash and cash equivalents at the beginning of the year                           |       | 104,569                   | 30,677                    |
| <b>Cash and cash equivalents at the end of the year</b>                          | 9     | <b>63,041</b>             | <b>104,569</b>            |
| <b>Non-cash financing activities</b>   |       |                           |                           |
| Issue of units under the distributions reinvestment plan                         |       | 22,880                    | 1,021                     |
| Replacement of units as a result of unit class restructure                       |       | 426,423                   | -                         |
| <b>Total non-cash financing activities</b>                                       | 10(b) | <b>449,303</b>            | <b>1,021</b>              |

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

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## Notes to the Financial Statements

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## **1 General information**

These financial statements cover Ophir High Conviction Fund (the "Fund") as an individual entity. The Fund was constituted on 23 July 2015, and commenced operations on 31 August 2015. The Fund will terminate on 30 August 2095 unless terminated earlier in accordance with the provisions of the Fund's Constitution.

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

The Responsible Entity is incorporated and domiciled in Australia.

The investment manager of the Fund is Ophir Asset Management Pty Limited (the "Investment Manager").

The Fund principally invests in listed securities on the Australian Securities Exchange that fall outside the S&P/ASX 50 Index. The Fund may also invest in international equities such as listed securities in New Zealand in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

On 29 November 2018, a new Product Disclosure Statement ("PDS") was issued and lodged as part of the listing application with the ASX. Consequently, the three classes of units previously on issue were redeemed on 12 December 2018 and a new class of units of equal value was issued to eligible unitholders to enable the Fund to be listed on the ASX. The units previously on issue were classified as liability and the new class of units are classified as equity. See Note 7 for further information.

On 12 December 2018, Link Fund Solutions Pty Limited retired as Registrar of the Fund. On the same date, Boardroom Pty Limited was appointed as Registrar of the Fund.

On 19 December 2018, the Fund was admitted to the official list of ASX Limited and official quotation of its securities commenced on 19 December 2018 trading under the code OPH.

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to allow the Fund to elect into the AMIT tax regime, the Fund's Constitution has been amended and the other conditions to adopt the AMIT tax regime have been met. The Responsible Entity is therefore no longer contractually obligated to pay distributions. Consequently the units in the Fund have been reclassified from a financial liability to equity on 12 December 2018, see Note 7 for further information.

The financial statements of the Fund are for the year ended 30 June 2019. The financial statements are presented in Australian currency.

The financial statements were authorised for issue by the Directors of the Responsible Entity (the "Directors of the Responsible Entity") on 30 August 2019. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

## **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below.

### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity 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.

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

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 financial assets through profit or loss.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at year end.

In the case of net assets attributable to unitholders, the units are redeemable on demand at the unitholder's option. However, unitholders typically retain units for the medium to long-term. As such, the amount expected to be settled within twelve months cannot be reliably determined.

#### (i) Compliance with International Financial Reporting Standards

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

#### (ii) New and amended standards adopted by the Fund

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

AASB 9 became effective for annual periods on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and financial liabilities and replaces the multiple classification and measurement models in AASB139. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. AASB 9 also introduces a new expected credit loss (ECL) impairment model.

AASB 9 has been applied retrospectively by the Fund without the use of hindsight and it has determined that adoption did not result in a change to the classification or measurement of financial instruments in either the current or prior periods. The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held to collect contractual cash flows that are solely payments of principal and interest continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

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

AASB 15 became effective for annual periods beginning on or after 1 January 2018 which is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the previous notion of risks and rewards.

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

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2018 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments

#### (i) Classification

- Financial assets

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

#### (ii) Recognition and derecognition

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

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

#### (iii) Measurement

At initial recognition, the Fund measures financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the Statement of 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 Comprehensive Income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

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

#### (iv) Impairment

At each reporting date, the Fund shall measure the loss allowance on financial assets at amortised cost (cash, due from broker and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the amortised cost. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

#### (v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is 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.

As at the end of the reporting period, there are no financial assets or liabilities offset or which could be offset in the Statement of Financial Position.

## 2 Summary of significant accounting policies (continued)

### (c) Net assets attributable to unitholders

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the unit back to the Fund.

The Fund is a closed-end Fund and is not subject to applications and redemptions from the date of listing on the ASX.

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

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

As at 12 December 2018, the Funds' units have been reclassified from financial liability to equity as they satisfied all the above criteria. This has been consistently applied during the year.

### (d) Cash and cash equivalents

Cash comprises deposits held at custodian banks. Cash equivalents are short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes.

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 Fund's main income generating activity.

### (e) Investment income

Interest income from financial assets at amortised cost is recognised on an accrual basis using the effective interest method and includes interest from cash and cash equivalents.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within dividend and distribution income when the Fund's right to receive payments is established.

Other changes in fair value for financial instruments at fair value through profit and loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

### (f) Expenses

All expenses, including management fees, performance fees, Responsible Entity's fees, administration fees and custody fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

### (g) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

## 2 Summary of significant accounting policies (continued)

### (h) Distributions and dividends

Distributions are payable as set out in the Fund's offering document. Such distributions are determined by the Responsible Entity of the Fund. Distributable income includes capital gains arising from the disposal of financial instruments. Unrealised gains and losses on financial instruments that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised.

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised losses are not distributed to unitholders but are retained in the Fund to be offset against any future realised capital gains. If realised capital gains exceed realised losses, the excess is distributed to the unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the Statement of Comprehensive Income.

### (i) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. As the Fund's units are classified as equity, movements in net assets attributable to unitholders are recognised in the Statement of Changes in Equity.

### (j) 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. The due from brokers balance is held for collection and consequently measured at amortised cost.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

### (k) Receivables

Receivables may include amounts for interest and trust distributions. Interest is accrued at each dealing date in accordance with policy set out in note 2(e) above. Trust distributions are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

Receivables also include such items as Reduced Input Tax Credits (RITC).

Receivables are recognised at amortised cost using the effective interest method, less any allowance for expected credit losses. The Fund has applied a simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, receivables have been grouped based on days overdue.

The amount of the impairment loss, if any, is recognised in the Statement of 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 Comprehensive Income.

## 2 Summary of significant accounting policies (continued)

### (l) Payables

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting year.

The distribution amount payable to unitholders as at the end of each reporting year is recognised separately in the Statement of Financial Position when unitholders are presently entitled to the distributable income under the Fund's Constitution.

Distributions declared effective 30 June in relation to unitholders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

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

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodian services and management fees have been passed onto the Fund. The Fund qualifies for RITC, hence management fees, administration and custody fees and other expenses have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts 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.

### (n) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and 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 Fund's financial instruments, quoted market prices are readily available.

For more information on how fair value is calculated please refer to Note 4 to the financial statements.

### (o) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

### (p) Rounding of amounts

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

### 3 Financial risk management

#### (a) Overview

The Fund's activities expose it to a variety of financial risks. The management of these risks is undertaken by the Fund's Investment Manager who has been appointed by the Responsible Entity under an Investment Management Agreement to manage the Fund's assets in accordance with the investment objective and strategy.

The Responsible Entity has in place a framework which includes:

- The Investment Manager providing the Responsible Entity with regular reports on their compliance with the Investment Management Agreement;
- Completion of regular reviews on the Service Provider which may include a review of the investment managers risk management framework to manage the financial risks of the Funds; and
- Regular reporting on the liquidity of the Fund in accordance with the Fund's Liquidity Risk Management Statement.

The Fund's Investment Manager has in place a framework to identify and manage the financial risks in accordance with the investment objective and strategy. This includes an investment due diligence process and on-going monitoring of the investments in the Fund. Specific controls which the Investment Manager applies to manage the financial risks are detailed under each risk specified below.

#### (b) Market risk

Market risk is the risk that changes in market price factors, such as equity prices, foreign exchange rates, interest rates and other market prices will affect the Fund's income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

##### (i) Price risk

The Fund is exposed to equity securities listed or quoted on recognised securities exchanges price risk. This arises from investments held by the Fund for which prices in the future are uncertain. They are classified on the Statement of Financial Position as financial assets held at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Investment Manager mitigates this price risk and related concentration risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Product Disclosure Statement. Between 75% and 100% of the net assets attributable to unitholders are invested in Australian shares. The Australian shares (being primarily smaller companies) are listed on the Australian Securities Exchange. The Fund has not invested in any derivatives during the financial year (2018: nil).

The Fund is exposed, particularly through its equity portfolio, to concentration and market risks influencing investment valuations. These include Australian economic factors, changes in a company's internal operations or management, and also relate to changes in taxation policy, monetary policy, interest rates and statutory requirements.

As at year end, the overall net market exposures were as follows:

|                          | <b>As at</b>   |                |
|--------------------------|----------------|----------------|
|                          | <b>30 June</b> | <b>30 June</b> |
|                          | <b>2019</b>    | <b>2018</b>    |
|                          | <b>\$'000</b>  | <b>\$'000</b>  |
| Listed equity securities | <b>462,384</b> | 553,660        |
|                          | <b>462,384</b> | 553,660        |

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### 3 Financial risk management (continued)

#### (b) Market risk (continued)

##### (i) Price risk (continued)

The Fund mitigates price risk and related concentration risk through diversification and a careful selection of securities and other financial instruments in accordance with the Fund's investment guidelines.

The table at Note 3(c) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Fund invests move by +/- 5% (2018: +/- 5%) from the year end prices with all other variables held constant.

##### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's main interest rate risk arises from its investment in cash holdings. Interest income from cash holdings is earned at variable interest rates.

Exceptions to compliance are reported to management on a regular basis.

The table below summarises the Fund's exposure to interest rate risks at the end of the reporting period.

#### As at 30 June 2019

|   | Floating<br>interest rate<br>\$'000 | Non-<br>interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|---|-------------------------------------|---------------------------------------|-----------------|
| <b>Assets</b>   |                                     |                                       |                 |
| Cash and cash equivalents                             | 63,041                              | -                                     | 63,041          |
| Receivables   | -                                   | 1,640                                 | 1,640           |
| Financial assets at fair value through profit or loss | -                                   | 462,384                               | 462,384         |
| <b>Total assets</b>                                   | <b>63,041</b>                       | <b>464,024</b>                        | <b>527,065</b>  |
| <b>Liabilities</b>                                    |                                     |                                       |                 |
| Payables  | -                                   | (5,930)                               | (5,930)         |
| <b>Net exposure</b>                                   | <b>63,041</b>                       | <b>458,094</b>                        | <b>521,135</b>  |

#### As at 30 June 2018

|   | Floating<br>interest rate<br>\$'000 | Non-<br>interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|---|-------------------------------------|---------------------------------------|-----------------|
| <b>Assets</b>   |                                     |                                       |                 |
| Cash and cash equivalents                             | 104,569                             | -                                     | 104,569         |
| Receivables   | -                                   | 1,030                                 | 1,030           |
| Due from brokers - receivable for securities sold     | -                                   | 4,413                                 | 4,413           |
| Financial assets at fair value through profit or loss | -                                   | 553,660                               | 553,660         |
| <b>Total assets</b>                                   | <b>104,569</b>                      | <b>559,103</b>                        | <b>663,672</b>  |

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**3 Financial risk management (continued)**

**(b) Market risk (continued)**

*(ii) Interest rate risk (continued)*

As at 30 June 2018

|  | Floating<br>interest rate<br>\$'000 | Non-<br>interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|--|-------------------------------------|---------------------------------------|-----------------|
| Liabilities  |                                     |                                       |                 |
| Distributions payable  | -                                   | (10,793)                              | (10,793)        |
| Payables   | -                                   | (7,989)                               | (7,989)         |
| Due to brokers - payable for securities purchased                    | -                                   | (10,932)                              | (10,932)        |
| Total liabilities (excluding net assets attributable to unitholders) | -                                   | (29,714)                              | (29,714)        |
| Net exposure   | 104,569                             | 529,389                               | 633,958         |

The table in Note 3(c) below summarises the impact of an increase/decrease of interest rates on the Fund's operating profit/loss and net assets attributable to unitholders through changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 75 basis points (2018: +/- 75 basis points) from the year end rates with all other variables held constant.

**(c) Summarised sensitivity analysis**

The following table summarises the sensitivity of the Fund's operating profit/(loss) and net assets attributable to unitholders to market risks. 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 and the historical correlation of the Fund's investments with the relevant benchmark and 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 movements resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variances in the risk variables.

|                     | Impact on operating profit/(loss)/<br>net assets attributable to unitholders |               |                    |            |
|---------------------|--|---------------|--------------------|------------|
|                     | Price risk   |               | Interest rate risk |            |
|                     | -5%  | +5%           | -75bps             | +75bps     |
|                     | \$'000   | \$'000        | \$'000             | \$'000     |
| <b>30 June 2019</b> | <b>(23,119)</b>  | <b>23,119</b> | <b>(473)</b>       | <b>473</b> |
| 30 June 2018        | (27,683)   | 27,683        | (784)              | 784        |

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### 3 Financial risk management (continued)

#### (d) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

Investment management processes include the consideration of counterparty risk. The Fund trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Fund's policy to securitise its trade and other receivables.

The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents and amounts due from brokers balances. None of these assets are impaired nor past due. The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents and amounts due from brokers.

At 30 June 2019

| <b>Bank and Custodian</b>                   | <b>\$'000</b> | <b>Credit Rating</b> | <b>Source of credit rating</b> |
|---|---------------|----------------------|--------------------------------|
| Australia and New Zealand Banking Group Ltd | 17            | AA-                  | Standard and Poor's            |
| Macquarie Bank Limited                      | 397           | A+                   | Standard and Poor's            |
| JP Morgan Chase Bank N.A. (Sydney Branch)   | 525,011       | A+                   | Standard and Poor's            |

The custody balance with JP Morgan Chase N.A. (Sydney Branch) includes investments in equities totalling \$462,384,000.

At 30 June 2018

| <b>Bank and Custodian</b>                   | <b>\$'000</b> | <b>Credit Rating</b> | <b>Source of credit rating</b> |
|---|---------------|----------------------|--------------------------------|
| Australia and New Zealand Banking Group Ltd | 1,103         | AA-                  | Standard and Poor's            |
| Macquarie Bank Limited                      | 396           | A                    | Standard and Poor's            |
| JP Morgan Chase Bank N.A. (Sydney Branch)   | 650,211       | A+                   | Standard and Poor's            |

The custody balance with JP Morgan Chase N.A. (Sydney Branch) includes investments in equities totalling \$553,660,000.

#### (e) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected.

The majority of the Fund's assets are held in listed equities (>95%). Hence, the Fund is not exposed to significant liquidity risk.

##### (i) Maturities of non-derivative financial liabilities

All non-derivative liabilities of the Fund in the current and prior year have maturities of less than one month.

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#### 4 Fair value measurement

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

- Financial assets at fair value through profit or loss (FVTPL) (see Note 6)

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

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

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

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

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

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

The quoted market price used for financial assets held by the Fund is the last trade price.

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.

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

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets have been based on the last trade price at the end of the reporting period, excluding transaction costs.

*(b) Recognised fair value measurements*

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

| <b>At 30 June 2019</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 at fair value through profit or loss</b>       |                           |                           |                           |                         |
| Australian listed equity securities                                | <b>462,384</b>            | -                         | -                         | <b>462,384</b>          |
| <b>Total financial assets at fair value through profit or loss</b> | <b>462,384</b>            | -                         | -                         | <b>462,384</b>          |

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**4 Fair value measurement (continued)**

*(b) Recognised fair value measurements (continued)*

| At 30 June 2018  | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|-------------------|-------------------|-------------------|-----------------|
| Financial assets at fair value through profit or loss              |                   |                   |                   |                 |
| Australian listed equity securities                                | 553,660           | -                 | -                 | 553,660         |
| <b>Total financial assets at fair value through profit or loss</b> | <b>553,660</b>    | <b>-</b>          | <b>-</b>          | <b>553,660</b>  |

*(c) Transfers between levels*

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

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

*(d) Fair values of other financial instruments*

The Fund did not hold any financial instruments which were not measured at fair value in the Statement of Financial Position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value. Net assets attributable to unitholders' carrying value may differ from its par value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior year.

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

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

|   | Year ended                |                           |
|---|---------------------------|---------------------------|
|   | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>\$'000 |
| <b>Financial assets</b>   |                           |                           |
| Net realised gain/(loss) on financial assets at fair value through profit or loss             | <b>42,594</b>             | 39,310                    |
| Net unrealised gain/(loss) on financial assets at fair value through profit or loss           | <b>(11,915)</b>           | 69,697                    |
| <b>Total net gains/(losses) on financial instruments at fair value through profit or loss</b> | <b>30,679</b>             | 109,007                   |

**6 Financial assets at fair value through profit or loss**

|   | As at                     |                           |
|---|---------------------------|---------------------------|
|   | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>\$'000 |
| <b>Financial assets at fair value through profit or loss</b>        |                           |                           |
| Australian listed equity securities                                 | <b>462,384</b>            | 553,660                   |
| <b>Total financial assets at fair value through profit and loss</b> | <b>462,384</b>            | 553,660                   |

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

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## 7 Net assets attributable to unitholders

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

Prior to 12 December 2018, the Fund classified its net assets attributable to unitholders as liabilities in accordance with AASB 132. On 12 December 2018, the Fund changed its unit class structure from multi-class to single class as part of the ASX listing requirements. The three classes of units previously on issue were redeemed on 12 December 2018 and a new class of units of equal value was issued to eligible unitholders to enable the Fund to be listed on the ASX. Therefore, the net assets attributable to unitholders of the Fund meet the criteria set out under AASB 132 and are classified as equity from 12 December 2018 onwards. As a result, the Fund's distributions are no longer classified as finance costs in the Statement of Comprehensive Income, but rather as dividends paid in the Statement of Changes in Equity.

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

### Ophir HCF

|   | Year ended                   |                           |                              |                           |
|---|------------------------------|---------------------------|------------------------------|---------------------------|
|   | 30 June<br>2019<br>Units'000 | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>Units'000 | 30 June<br>2018<br>\$'000 |
| Opening balance   | 8,497                        | 17,280                    | 6,067                        | 9,607                     |
| Applications  | 16                           | 35                        | 2,494                        | 4,185                     |
| Redemptions   | (9,691)                      | (16,266)                  | (187)                        | (307)                     |
| Reinvestment of distributions                                 | 1,178                        | 2,231                     | 123                          | 194                       |
| Increase/(decrease) in net assets attributable to unitholders | -                            | (3,280)                   | -                            | 3,601                     |
| <b>Closing balance</b>  | -                            | -                         | 8,497                        | 17,280                    |

### Ophir HCF - A

|   | Year ended                   |                           |                              |                           |
|---|------------------------------|---------------------------|------------------------------|---------------------------|
|   | 30 June<br>2019<br>Units'000 | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>Units'000 | 30 June<br>2018<br>\$'000 |
| Opening balance   | 301,978                      | 577,623                   | 142,078                      | 206,502                   |
| Applications  | 1,602                        | 3,050                     | 165,970                      | 299,341                   |
| Redemptions   | (314,257)                    | (503,233)                 | (6,363)                      | (10,330)                  |
| Reinvestment of distributions                                 | 10,677                       | 18,178                    | 293                          | 426                       |
| Increase/(decrease) in net assets attributable to unitholders | -                            | (95,618)                  | -                            | 81,684                    |
| <b>Closing balance</b>  | -                            | -                         | 301,978                      | 577,623                   |

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**7 Net assets attributable to unitholders (continued)**

**Ophir HCF - B**

|   | Year ended                   |                           |                              |                           |
|---|------------------------------|---------------------------|------------------------------|---------------------------|
|   | 30 June<br>2019<br>Units'000 | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>Units'000 | 30 June<br>2018<br>\$'000 |
| Opening balance   | 28,741                       | 39,055                    | 28,361                       | 29,890                    |
| Redemptions   | (30,195)                     | (41,470)                  | -                            | -                         |
| Reinvestment of distributions                                 | 1,454                        | 1,976                     | 380                          | 401                       |
| Increase/(decrease) in net assets attributable to unitholders | -                            | 439                       | -                            | 8,764                     |
| Closing balance   | -                            | -                         | 28,741                       | 39,055                    |

**Ophir HCF - C**

|   | Year ended                   |                           |                              |                           |
|---|------------------------------|---------------------------|------------------------------|---------------------------|
|   | 30 June<br>2019<br>Units'000 | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>Units'000 | 30 June<br>2018<br>\$'000 |
| Opening balance   | -                            | -                         | -                            | -                         |
| Applications  | 11,491,000                   | 22,396                    | -                            | -                         |
| Redemptions   | (11,786,000)                 | (18,994)                  | -                            | -                         |
| Reinvestment of distributions                                 | 295,000                      | 495                       | -                            | -                         |
| Increase/(decrease) in net assets attributable to unitholders | -                            | (3,897)                   | -                            | -                         |
| Closing balance   | -                            | -                         | -                            | -                         |

**Ophir HCF - LIT**

|                               | Year ended                   |                           |                              |                           |
|-------------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
|                               | 30 June<br>2019<br>Units'000 | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>Units'000 | 30 June<br>2018<br>\$'000 |
| Opening balance               | -                            | -                         | -                            | -                         |
| Applications                  | 200,000                      | 426,423                   | -                            | -                         |
| Redemptions                   | -                            | -                         | -                            | -                         |
| Reinvestment of distributions | -                            | -                         | -                            | -                         |
| Profit/(loss) for the year    | -                            | 94,712                    | -                            | -                         |
| Closing balance               | 200,000                      | 521,135                   | -                            | -                         |

As stipulated within the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to the underlying assets of the Fund.

On 12 December 2018, the three classes of units previously on issue were redeemed and a new class of units ("Ophir HCF - LIT") of equal value was issued to eligible unitholders to enable the Fund to be listed on the ASX.

As a result of the reclassification of net assets attributable to unitholders from liabilities to equity, the Fund's distributions will no longer be classified as finance costs in the statement of comprehensive income, but rather as distributions paid in the statement of changes in equity.

## 7 Net assets attributable to unitholders (continued)

### Capital risk management

Net assets attributable to unitholders are classified as equity at 30 June 2019 and as a financial liabilities at 30 June 2018. Refer to Note 1 for further details.

The Fund is a closed-end Fund and is not subject to applications and redemptions from the date of listing on the ASX.

Generally, the Fund's strategy is to hold liquid investments. Liquid assets include cash and cash equivalents and listed investments.

### 8 Distributions to unitholders

Distributions are payable at the end of each financial period. Such distributions are determined by reference to the net taxable income of the Fund.

The distributions for the year were as follows:

|                            | Year ended                |                         |                           |                         |
|----------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
|                            | 30 June<br>2019<br>\$'000 | 30 June<br>2019<br>CPU* | 30 June<br>2018<br>\$'000 | 30 June<br>2018<br>CPU* |
| <b>Ophir HCF</b>           |                           |                         |                           |                         |
| Distributions paid         | 1,095                     | 12.0715                 | 1,158                     | 13.6299                 |
| <b>Total distributions</b> | <b>1,095</b>              | <b>12.0715</b>          | 1,158                     | 13.6299                 |

|                            | Year ended                |                         |                           |                         |
|----------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
|                            | 30 June<br>2019<br>\$'000 | 30 June<br>2019<br>CPU* | 30 June<br>2018<br>\$'000 | 30 June<br>2018<br>CPU* |
| <b>Ophir HCF - A</b>       |                           |                         |                           |                         |
| Distributions paid         | 30,749                    | 11.9415                 | 7,659                     | 2.5363                  |
| <b>Total distributions</b> | <b>30,749</b>             | <b>11.9415</b>          | 7,659                     | 2.5363                  |

|                            | Year ended                |                         |                           |                         |
|----------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
|                            | 30 June<br>2019<br>\$'000 | 30 June<br>2019<br>CPU* | 30 June<br>2018<br>\$'000 | 30 June<br>2018<br>CPU* |
| <b>Ophir HCF - B</b>       |                           |                         |                           |                         |
| Distributions paid         | 1,233                     | 13.4701                 | 1,976                     | 6.8755                  |
| <b>Total distributions</b> | <b>1,233</b>              | <b>13.4701</b>          | 1,976                     | 6.8755                  |

|                            | Year ended                |                         |                           |                         |
|----------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
|                            | 30 June<br>2019<br>\$'000 | 30 June<br>2019<br>CPU* | 30 June<br>2018<br>\$'000 | 30 June<br>2018<br>CPU* |
| <b>Ophir HCF - C</b>       |                           |                         |                           |                         |
| Distributions paid         | 879                       | 8.0258                  | -                         | -                       |
| <b>Total distributions</b> | <b>879</b>                | <b>8.0258</b>           | -                         | -                       |

The distributions are largely comprised of discount capital gains. 30 June 2019 (38%) and 30 June 2018 (37%).

There are no distributions payable as at 30 June 2019.

\* Distribution is expressed as cents per unit amount in Australian dollar.

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## 8 Distributions to unitholders (continued)

|                            | Year ended      |                 |
|----------------------------|-----------------|-----------------|
|                            | 30 June<br>2019 | 30 June<br>2018 |
|                            | \$'000          | \$'000          |
| <b>Total distributions</b> | <b>33,956</b>   | <b>10,793</b>   |

## 9 Cash and cash equivalents

|  | As at           |                 |
|--|-----------------|-----------------|
|  | 30 June<br>2019 | 30 June<br>2018 |
|  | \$'000          | \$'000          |
| Cash at bank                           | 63,041          | 104,569         |
| <b>Total cash and cash equivalents</b> | <b>63,041</b>   | <b>104,569</b>  |

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

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

|  | Year ended      |                  |
|--|-----------------|------------------|
|  | 30 June<br>2019 | 30 June<br>2018  |
|  | \$'000          | \$'000           |
| Profit/(loss) for the year   | 94,712          | -                |
| Increase/(decrease) in net assets attributable to unitholders                    | (102,356)       | 94,049           |
| Distribution to unitholders  | 33,956          | 10,793           |
| Proceeds from sale of financial instruments at fair value through profit or loss | 492,289         | 300,127          |
| Purchase of financial instruments at fair value through profit or loss           | (376,771)       | (518,952)        |
| Net (gains)/losses on financial instruments at fair value through profit or loss | (30,679)        | (109,007)        |
| Dividend income reinvested   | (82)            | (49)             |
| Net change in receivables  | (610)           | (583)            |
| Net change in payables   | (1,344)         | 7,000            |
| <b>Net cash inflow/(outflow) from operating activities</b>                       | <b>109,115</b>  | <b>(216,622)</b> |

### (b) Non-cash financing activities

|  | Year ended      |                 |
|--|-----------------|-----------------|
|  | 30 June<br>2019 | 30 June<br>2018 |
|  | \$'000          | \$'000          |
| Issue of units under the distributions reinvestment plan   | 22,880          | 1,021           |
| Replacement of units as a result of unit class restructure | 426,423         | -               |
| <b>Total non-cash financing activities</b>                 | <b>449,303</b>  | <b>1,021</b>    |

As described in Note 2(i), 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.

**Ophir High Conviction Fund**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2019**  
**(continued)**

**11 Receivables**

|                          | As at                     |                           |
|--------------------------|---------------------------|---------------------------|
|                          | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>\$'000 |
| Interest receivable      | 59                        | 82                        |
| GST receivable           | 1,513                     | 948                       |
| Other receivables        | 68                        | -                         |
| <b>Total receivables</b> | <b>1,640</b>              | <b>1,030</b>              |

**12 Payables**

|                                   | As at                     |                           |
|-----------------------------------|---------------------------|---------------------------|
|                                   | 30 June<br>2019<br>\$'000 | 30 June<br>2018<br>\$'000 |
| Management fees payable           | 563                       | 641                       |
| Performance fees payable          | 5,183                     | 6,572                     |
| Responsible Entity's fees payable | 67                        | -                         |
| Redemptions payable               | -                         | 15                        |
| Monies not allocated to units     | -                         | 700                       |
| Other payables                    | 117                       | 61                        |
| <b>Total payables</b>             | <b>5,930</b>              | <b>7,989</b>              |

**13 Remuneration of auditors**

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

|  | Year ended            |                       |
|--|-----------------------|-----------------------|
|  | 30 June<br>2019<br>\$ | 30 June<br>2018<br>\$ |
| <i>Audit and other assurance services</i>                  |                       |                       |
| Audit and review of financial statements - Ernst and Young | 40,000                | 17,500                |
| Compliance plan audit - PricewaterhouseCoopers             | 2,475                 | 2,475                 |
| Other assurance services - Ernst and Young                 | 8,000                 | -                     |
| Total remuneration for audit and other assurance services  | <b>50,475</b>         | <b>19,975</b>         |
| <i>Taxation services</i>                                   |                       |                       |
| Tax services - Ernst and Young                             | 48,250                | 11,495                |
| Total remuneration for taxation services                   | <b>48,250</b>         | <b>11,495</b>         |
| <b>Total remuneration of auditors</b>                      | <b>98,725</b>         | <b>31,470</b>         |

The auditor's remuneration is borne by the Fund. Fees are stated exclusive of GST. The fees for other assurance and tax services are borne by Ophir Asset Management Pty Ltd, the Funds Investment Manager, and not re-charged to the Fund.

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**14 Earnings/(loss) per unit**

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

Diluted earnings per unit are the same as basic earnings per unit.

|  | Year ended      |                 |
|--|-----------------|-----------------|
|  | 30 June<br>2019 | 30 June<br>2018 |
| <b>Average per unit class</b>                    |                 |                 |
| Profit attributable to unitholders (\$'000)      | 26,312          | 104,842         |
| Weighted average number of units in issue ('000) | 200,000         | 241,379         |
| <br>   |                 |                 |
| Basic and diluted earnings per units in cents    | 13.16           | 43.43           |

**15 Related party transactions**

For the purposes of these financial statements, parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control or exercise significant influence over the Fund in making financial and operating disclosures. Related parties may be individuals or other entities.

The Responsible Entity of Ophir High Conviction Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150). The Investment Manager of the Fund is Ophir Asset Management Pty Limited.

**(a) Directors**

Key management personnel includes persons who were Directors of the Responsible Entity at any time during the financial year as follows:

- Glenn Foster
- Christopher Green (resigned 17 October 2018)
- Michael Vainauskas
- Andrew McIver (Alternate Director for Michael Vainauskas)
- Vicki Riggio
- Gillian Larkins (Alternate Director for Glenn Foster) (resigned 12 October 2018)
- Phillip Blackmore (Alternate Director for Christopher Green and Vicki Riggio) (appointed 6 July 2018)
- Phillip Blackmore (Alternate Director for Christopher Green) (resigned 17 October 2018)
- Richard McCarthy (appointed 17 October 2018)

**(b) Other key management personnel**

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

**(c) Key management personnel unit holdings**

During or since the end of the year, none of the Directors or Director related entities held units in the Fund either directly, indirectly or beneficially.

Neither the Responsible Entity nor its affiliates held units in the Fund at the end of the year.

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**15 Related party transactions (continued)**

**(d) Key management personnel compensation**

Key management personnel do not receive any remuneration directly from the Fund. They receive remuneration from the Responsible Entity in their capacity as Directors or employees of the Responsible Entity or its related parties. Consequently, the Fund does not pay any compensation to its key management personnel. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

**(e) Key management personnel loans**

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year.

**(f) Other transactions within the Fund**

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund since the end of the previous financial year and there were no material contracts involving key management personnel's interests existing at year end.

**(g) Responsible Entity and Investment Manager's fees and other transactions**

For the year ended 30 June 2019, in accordance with the Fund's Product Disclosure Statement the management fee was capped at 1.23% p.a. (inclusive of GST, net of RITC) of the value of the Fund's net assets on a monthly basis. Unless separately agreed, the Investment Manager was also entitled to a performance fee of 20.5% of the amount by which the Fund (after fees and expenses) outperformed the benchmark (S&P/ASX Mid-Small Index, being the composite benchmark of 50% of the S&P/ASX MidCap 50 Accumulation Index and 50% of the S&P/ASX Small Ordinaries Accumulation Index) provided the high water mark has been exceeded. Calculation periods end at 30 June and 31 December each year.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity and the Investment Manager were as follows:

|   | <b>Year ended</b> |                |
|---|-------------------|----------------|
|   | <b>30 June</b>    | <b>30 June</b> |
|   | <b>2019</b>       | <b>2018</b>    |
|   | <b>\$</b>         | <b>\$</b>      |
| Management fees for the year paid by the Fund to the Investment Manager                     | <b>6,409,319</b>  | 4,427,471      |
| Performance fees for the year paid by the Fund to the Investment Manager                    | <b>5,020,403</b>  | 6,123,915      |
| Aggregate amounts payable to the Investment Manager at the end of the reporting period      | <b>5,746,677</b>  | 7,213,325      |
| Expense reimbursement income received for the year from the Investment Manager              | <b>68,176</b>     | -              |
| Aggregate amounts receivable from the Investment Manager at the end of the reporting period | <b>68,176</b>     | -              |
| Responsible Entity fees for the year  | <b>344,407</b>    | 171,791        |
| Aggregate amounts payable to the Responsible Entity at the end of the reporting period      | <b>68,578</b>     | -              |

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**15 Related party transactions (continued)**

**(h) Related party unitholdings**

Parties related to the Fund (including The Trust Company (RE Services) Limited, its related parties and other schemes managed by The Trust Company (RE Services) Limited), held no units in the Fund as at 30 June 2019 (30 June 2018: nil).

Parties related to the Fund (including Ophir Asset Management Pty Limited, its related parties and other schemes managed by Ophir Asset Management Pty Limited) held units in the Fund as follows:

**2019**

| Unitholder   | No. of units held opening (Units) | No. of units held closing (Units) | Fair value of investment (\$) | Interest held (%) | No. of units acquired (Units) | No. of units disposed (Units) | Distributions paid/payable by the Fund (\$) |
|--|-----------------------------------|-----------------------------------|-------------------------------|-------------------|-------------------------------|-------------------------------|---|
| HDD Pty Ltd<br>Uncas Pty Ltd ATF<br>Chingachgook Trust | 1,602,493                         | 1,667,316                         | 2,788,919                     | 0.83              | 64,823                        | -                             | 206,410                                     |
|  | 1,602,493                         | 1,667,316                         | 2,788,919                     | 0.83              | 64,823                        | -                             | 206,410                                     |

**2018**

| Unitholder   | No. of units held opening (Units) | No. of units held closing (Units) | Fair value of investment (\$) | Interest held (%) | No. of units acquired (Units) | No. of units disposed (Units) | Distributions paid/payable by the Fund (\$) |
|--|-----------------------------------|-----------------------------------|-------------------------------|-------------------|-------------------------------|-------------------------------|---|
| HDD Pty Ltd<br>Uncas Pty Ltd ATF<br>Chingachgook Trust | 870,365                           | 1,602,493                         | 3,249,375                     | 0.47              | 732,128                       | -                             | 218,418                                     |
|  | 870,365                           | 1,602,493                         | 3,249,375                     | 0.47              | 732,128                       | -                             | 218,418                                     |

**(i) Investments**

The Fund did not hold any investments in The Trust Company (RE Services) Limited or its related parties during the year (2018: nil).

**16 Events occurring after the reporting period**

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as disclosed in the Statement of Financial Position as at 30 June 2019 or on the results and cash flows of the Fund for the year ended on that date.

**17 Contingent assets and liabilities and commitments**

There are no contingent assets, liabilities or commitments as at 30 June 2019 and 30 June 2018.

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## Directors' Declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and Notes set out on pages 12 to 37 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2019 and of its performance for the financial year ended on that date,
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Director  
The Trust Company (RE Services) Limited

Sydney  
30 August 2019

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## **Independent Auditor's Report to the Unitholders of Ophir High Conviction Fund**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Ophir High Conviction Fund (the Fund), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of Ophir High Conviction Fund is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Fund's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



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### 1. Investment existence and valuation

| Why significant   | How our audit addressed the key audit matter  |
|---|---|
| <p>The Fund has a significant investment portfolio consisting primarily of listed securities. As at 30 June 2019, the value of these financial assets was \$462,383,551 which represented 88% of the total assets of the Fund.</p> <p>As detailed in the Fund's accounting policy described in Note 2(b) of the financial report, these financial assets are recognised at fair value through profit or loss in accordance with Australian Accounting Standards.</p> <p>Pricing, exchange rates and other market drivers can have a significant impact on the value of these financial assets and the financial report. Accordingly, valuation of the investment portfolio was considered a key audit matter.</p> | <p>We assessed the effectiveness of the controls relating to the recognition and valuation of investments.</p> <p>We obtained and considered the assurance report on the controls of the Fund's administrator in relation to Fund Administration Services for the year ended 30 June 2019 and considered the auditor's qualifications, competence and objectivity and results of their procedures.</p> <p>We agreed all investment holdings, including cash accounts, to third party confirmations at 30 June 2019.</p> <p>We assessed the fair value of all investments in the portfolio held at 30 June 2019. For all listed securities, the values were verified against independently sourced market prices.</p> <p>We assessed the adequacy of the disclosures in Note 4 of the financial report in accordance with the requirements of Australian Accounting Standards.</p> |

### 2. Management Fees and Performance Fees

| Why significant  | How our audit addressed the key audit matter  |
|--|---|
| <p>Management fees and performance fees, paid to the Investment Manager, Ophir Asset Management Pty Ltd, are the most significant operating expense for the Fund.</p> <p>The Fund's accounting policy for management fees and performance fees is described in Note 15(g) to the financial report. Performance fees are recognised in the financial report if the performance hurdles for the Fund has been met at the end of the relevant measurement period, which is the date that the performance criteria are met and the liability has been crystallised.</p> <p>For the year ended 30 June 2019, management fees and performance fees were \$6,409,319 and \$5,020,403 which represented 49% and 39% of the total expenses, respectively.</p> <p>The assessment of performance fee arrangements can be complex and judgmental due to uncertainty around future performance.</p> | <p>We assessed the effectiveness of the controls in relation to the calculation of management and performance fees of the Fund's administrator, who has responsibility for the calculation.</p> <p>We recalculated management fees, in accordance with the Fund's Product Disclosure Statement and the Fund's Constitution, including verifying the fee rate to such agreements.</p> <p>We assessed the performance fee calculation, including testing the inputs into the calculation model and assessed whether the calculation was in line with the relevant Fund's Product Disclosure Statement and the Fund's Constitution, including verifying the fee rate to such agreements.</p> |

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## 2. Management Fees and Performance Fees (continued)

| Why significant  | How our audit addressed the key audit matter   |
|--|--|
| <p>Accordingly, this was considered a key audit matter. The disclosure of these amounts is included in Note 15(g) of the financial report.</p> | <p>We also assessed whether the criteria for accrual of a performance fee liability were met at 30 June 2019.</p> <p>We assessed the adequacy of the disclosures in Note 15(g) of the financial report in accordance with the requirements of Australian Accounting Standards.</p> |

### Information Other than the Financial Report and Auditor's Report

The Directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in Fund's 2019 Annual Report but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors of the Responsible Entity for the Financial Report

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

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

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## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Responsible Entity.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

*Ernst & Young*

Ernst & Young

*Rohit Khanna*

Rohit Khanna  
Partner  
Sydney  
30 August 2019

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**Ophir High Conviction Fund  
Unitholder and Other Information**

The information set out below was applicable as at 31 July 2019.

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report, is listed below.

**(a) Distribution of Unitholders**

Analysis of numbers of unitholders by size of holding:

| Size of holding   | Number of unitholders | Number of units    | % of units issued |
|-------------------|-----------------------|--------------------|-------------------|
| <b>Ranges</b>     |                       |                    |                   |
| 1 to 1,000        | 72                    | 40,923             | 0.02              |
| 1,001 to 5,000    | 267                   | 846,366            | 0.42              |
| 5,001 to 10,000   | 231                   | 1,844,607          | 0.92              |
| 10,001 to 100,000 | 938                   | 37,919,644         | 18.96             |
| 100,001 and over  | 337                   | 159,348,067        | 79.68             |
| <b>Total</b>      | <b>1,845</b>          | <b>199,999,607</b> | <b>100.00</b>     |

The number of unitholders holding less than a marketable parcel of \$500 worth of units is 4 and they hold a total of 103 units.

**(b) Largest Unitholders**

*Twenty largest unitholders*

The names of the twenty largest holders of quoted units are listed below:

| Name of unitholder  | Number of units   | % of units issued |
|---|-------------------|-------------------|
| HSBC Custody Nominees (Australia) Limited                     | 27,859,454        | 13.93             |
| Cambooya Pty Ltd  | 24,199,222        | 12.10             |
| Victorian Legal Services Board                                | 11,113,304        | 5.56              |
| Mr Peter Mark Carr & Mrs Esther Jeanette Carr                 | 2,141,995         | 1.07              |
| William Henry Alexander                                       | 1,862,541         | 0.93              |
| BNP Paribas Nominees Pty Ltd Hub24 Custodial Services Ltd DRP | 1,832,556         | 0.92              |
| Netwealth Investments Limited                                 | 1,830,418         | 0.92              |
| Witting Super Pty Ltd   | 1,720,835         | 0.86              |
| HDD Pty Ltd   | 1,667,316         | 0.83              |
| Uncas Pty Ltd   | 1,667,316         | 0.83              |
| Antan Investments Pty Ltd                                     | 1,560,630         | 0.78              |
| Mutual Trust Pty Ltd  | 1,455,871         | 0.73              |
| CBT Trustee Limited   | 1,397,188         | 0.70              |
| Citicorp Nominees Pty Limited                                 | 1,278,526         | 0.64              |
| Mr Johnathon Matthews & Prof Colin Matthews                   | 1,247,907         | 0.62              |
| Mr Kristian John Robinson                                     | 1,127,626         | 0.56              |
| Michael Alan Brockhoff  | 1,065,917         | 0.53              |
| Devlin Dog Pty Limited  | 1,062,035         | 0.53              |
| Yarandi Investments Pty Ltd                                   | 1,061,618         | 0.53              |
| Napala Pty Ltd  | 1,051,226         | 0.53              |
| <b>Total</b>  | <b>88,203,501</b> | <b>44.10</b>      |

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**(c) Substantial Holders**

There are no substantial unitholders.

**(d) Voting Rights**

Voting rights which may attach to or be imposed on any unit or class of units is as follows:

- (a) On a show of hands every unitholder present will have 1 vote; and
- (b) On a poll every unitholder present will have 1 vote for each dollar of the value of the total interests they have in the Fund.

**(e) Investment Transactions**

The total number of contract notes that were issued for transactions in securities during the financial year was 24,794. Each investment transaction may involve multiple contract notes.

The total brokerage paid on these contract notes was \$2,066,079.

**(f) Securities Exchange Listing**

The Fund's units are listed on the Australian Securities Exchange and are traded under the code "OPH".

**(g) Unquoted Units**

There are no unquoted units on issue.

**(h) Voluntary Escrow**

There are no restricted units in the Fund or units subject to voluntary escrow.

**(i) On-Market Buy-Back**

There is no current on-market buy-back.

**(j) Registered Office of the Responsible Entity**

The Trust Company (RE Services) Limited  
Level 18 Angel Place,  
123 Pitt Street  
Sydney NSW 2000  
Telephone: 02 8295 8100

**(k) Unit Registry**

Name: Boardroom Pty Limited  
Address: Level 12, 225 George Street  
Sydney NSW 2000  
Phone: 1300 737 760  
(02) 9290 9600  
Fax: (02) 9279 0664  
Email: enquiries@boardroomlimited.com.au

**(l) Responsible Entity Company Secretaries**

Sylvie Dimarco  
Eleanor Padman  
Gananatha Nayanajith Minithantri