AMP CAPITAL

AMP CAPITAL

ACTIVE EXCHANGE TRADED MANAGED FUNDS

CONDENSED INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

AMP CAPITAL GLOBAL INFRASTRUCTURE SECURITIES FUND (UNHEDGED) (MANAGED FUND) ASX CODE: GLIN
ARSN 609 146 483

AMP CAPITAL DYNAMIC MARKETS FUND (HEDGE FUND) ASX CODE: DMKT
ARSN 609 155 731

In alliance with BetaShares

AMP Capital active exchange traded managed funds

Condensed Interim Financial Report for the half-year ended 31 December 2016

AMP Capital Global Infrastructure Securities Fund (Unhedged) (Managed Fund)
AMP Capital Dynamic Markets Fund (Hedge Fund)

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Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of the following managed investment funds (the "Funds"), present their report together with the condensed interim financial report of the Funds for the half-year ended 31 December 2016 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
AMP Capital Global Infrastructure Securities Fund (Unhedged) (Managed Fund)	Global Infrastructure Securities Fund	1 July 2016 to 31 December 2016	ARSN 609 146 483
AMP Capital Dynamic Markets Fund (Hedge Fund)	Dynamic Markets Fund	1 July 2016 to 31 December 2016	ARSN 609 155 731

Responsible Entity

The Responsible Entity of the Funds is BetaShares Capital Ltd (ABN 78 139 566 868). The Responsible Entity's registered office and principal place of business is Level 11, 50 Margaret Street, Sydney, NSW 2000.

Principal activities

The Funds are registered managed investment funds domiciled in Australia.

The principal activity of each Fund is to invest in accordance with the investment objective and guidelines as set out in the Funds' current Product Disclosure Statement and its Constitution.

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

There were no significant changes in the nature of the Funds' activities during the half-year.

Directors

The following persons held office as directors of BetaShares Capital Ltd during the half-year or since the end of the half-year and up to the date of this report:

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)
Taeyong Lee (appointed 12 August 2015)
Thomas Park (appointed 12 August 2015)

Directors' report (continued)

Review and results of operations

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

The results of operations of the Funds are disclosed in the statements of comprehensive income. The income distributions payable by each of the Funds are disclosed in the statements of financial position. The income distributions paid and payable by each of the Funds are disclosed in note 4 to the financial statements.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

Further information on likely developments in the operation of the Funds and the expected results of its operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Comparatives

The Global Infrastructure Securities Fund was registered on 11 November 2015 and commenced its operations on 25 May 2016.

The Dynamic Markets Fund was registered on 11 November 2015 and commenced its operations on 15 July 2016.

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

The Funds are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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 5.

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

David Nathanson
Director

Alex Vynokur
Director

Sydney
13 March 2017

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of BetaShares Capital Limited, the Responsible Entity for the Schemes:

I declare that, to the best of my knowledge and belief, in relation to the review for the financial year half-year ended 31 December 2016 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Tim Aman

Partner

Sydney

13 March 2017

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Condensed interim statements of comprehensive income

	Notes	Global Infrastructure Securities Fund		Dynamic Markets Fund	
		Half-year ended 31 December 2016 $'000	Period from 11 November 2015 to 31 December 2015 $'000	**Half-year ended 31 December 2016 $'000**	Period from 11 November 2015 to 31 December 2015 $'000
Investment income					
Interest income		**5**	**-**	**30**	**-**
Dividend and distribution income		**215**	**-**	**85**	**-**
Net gains on financial assets held at fair value through profit or loss		**9**	**-**	**617**	**-**
Net foreign exchange (losses)/gains		**(10)**	**-**	**74**	**-**
Total net investment income		**219**	**-**	**806**	**-**
Expenses					
Management fees		**65**	**-**	**25**	**-**
Performance fee		**5**	**-**	**69**	**-**
Expense recoveries		**4**	**-**	**-**	**-**
Transactions costs		**20**	**-**	**18**	**-**
Other operating expenses		**32**	**-**	**18**	**-**
Total operating expenses		**126**	**-**	**130**	**-**
Operating profit before finance costs for the half-year		**93**	**-**	**676**	**-**
Finance costs attributable to unitholders					
Distributions to unitholders	4	**(112)**	**-**	**(214)**	**-**
Change in net assets attributable to unitholders (total comprehensive (loss)/income)	3	**(19)**	**-**	**462**	**-**

The above condensed interim statements of comprehensive income should be read in conjunction with the accompanying notes.

Condensed interim statements of financial position

	Notes	Global Infrastructure Securities Fund		Dynamic Markets Fund	
		As at 31 December 2016 $'000	As at 30 June 2016 $'000	**As at 31 December 2016 $'000**	As at 30 June 2016 $'000
Assets					
Cash and cash equivalents		**348**	436	**7,851**	-
Receivables		**60**	50	**39**	-
Financial assets held at fair value through profit or loss	5	**18,404**	10,207	**5,937**	-
Total assets		**18,812**	10,693	**13,827**	-
Liabilities					
Distributions payable	4	**76**	16	**214**	-
Financial liabilities held at fair value through profit or loss	5	**-**	-	**79**	-
Other payables		**38**	121	**130**	-
Total liabilities (excluding net assets attributable to unitholders)		**114**	137	**423**	-
Net assets attributable to unitholders - liability	3	**18,698**	10,556	**13,404**	-

The above condensed interim statements of financial position should be read in conjunction with the accompanying notes.

Condensed interim statements of changes in equity

The Funds' net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation.* As such, the Funds have no equity and no items of changes in equity have been presented for the current or comparative period.

Condensed interim statements of cash flows

	Global Infrastructure Securities Fund		Dynamic Markets Fund	
	Half-year ended 31 December 2016 $'000	Period from 11 November 2015 to 31 December 2015 $'000	**Half-year ended 31 December 2016 $'000**	Period from 11 November 2015 to 31 December 2015 $'000
Cash flows from operating activities				
Proceeds from maturity/sales of financial instruments held at fair value through profit or loss	**2,035**	-	**6,812**	-
Purchase of financial instruments held at fair value through profit or loss	**(10,344)**	-	**(11,958)**	-
Dividends and distributions received	**205**	-	**72**	-
Interest received	**5**	-	**30**	-
Management fees paid	**(37)**	-	**(10)**	-
Performance fees paid	**(5)**	-	**-**	-
Expense recoveries paid	**(3)**	-	**-**	-
Transaction costs paid	**(20)**	-	**(18)**	-
Other expenses paid	**(32)**	-	**(18)**	-
Net cash outflow from operating activities	**(8,196)**	-	**(5,090)**	-
Cash flows from financing activities				
Proceeds from applications by unitholders	**8,738**	-	**12,965**	-
Payments for redemptions by unitholders	**(598)**	-	**(23)**	-
Distributions paid	**(31)**	-	**-**	-
Net cash inflow from financing activities	**8,109**	-	**12,942**	-
Net (decrease)/increase in cash and cash equivalents	**(87)**	-	**7,852**	-
Cash and cash equivalents at the beginning of the half-year	**436**	-	**-**	-
Effect of exchange rate fluctuations in cash and cash equivalents	**(1)**	-	**(1)**	-
Cash and cash equivalents at the end of the half-year	**348**	-	**7,851**	-

The above condensed interim statements of cash flows should be read in conjunction with the accompanying notes.

1 General information

These condensed interim financial statements cover the following managed investment funds ("the Funds"). The Funds are registered managed investment schemes under the *Corporations Act 2001*. The Responsible Entity cannot issue or redeem any units from the 80th anniversary of the day before the day the Funds commenced if that issue or redemption would cause a contravention of the rule against perpetuities or any other rule of law or equity. The Funds may be terminated in accordance with the provisions of their Constitutions. The Funds are domiciled in Australia.

Abbreviated Fund name	Registration date	Commencement date	Financial reporting period	Comparative period
Global Infrastructure Securities Fund	11 November 2015	25 May 2016	01 July 2016 to 31 December 2016	01 July 2015 to 31 December 2015
Dynamic Markets Fund	11 November 2015	15 July 2016	01 July 2016 to 31 December 2016	01 July 2015 to 31 December 2015

The Responsible Entity of the Funds is BetaShares Capital Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Level 11, 50 Margaret Street, Sydney NSW 2000.

The condensed interim financial statements were authorised for issue by the directors on 13 March 2017. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian dollars, which is the Funds' functional currency.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below. These policies have been consistently applied to all periods presented.

(a) Basis of preparation

These general purpose condensed interim financial statements for the half-year ended 31 December 2016 have been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting*, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia.

These condensed interim financial statements do not include all the information of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 June 2016 and any continuous disclosure requirements of the *Corporations Act 2001.*

The Funds operated solely in one segment which is the business of investment management within Australia.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The condensed interim financial statements are prepared based on an accruals concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid through out the half-year. It is prepared on the basis of fair value measurement of assets and liabilities except otherwise stated. The condensed interim financial statements are presented in Australian dollars, which is the Funds' functional currency.

Use of estimates and judgements

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and 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 Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and regularly reviewed by experienced personnel of the Responsible Entity independent of the area that created them.

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

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

(b) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting period and have not been early adopted by the Funds. The directors' assessment of the impact of these new standards (to the extent relevant to the Funds) and interpretations is set out below:

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

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The directors do not expect this to have a significant impact on the recognition and measurement of the Funds' financial instruments. The derecognition rules have not been changed from the previous requirements, and the Funds do not apply hedge accounting. The Funds have not yet decided when to adopt AASB 9.

2 Summary of significant accounting policies (continued)

(b) New accounting standards and interpretations (continued)

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

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Funds' main sources of income are interest, dividends and distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of AASB 15 to have a significant impact on the Funds' accounting policies or the amounts recognised in the financial statements. The Funds have not yet decided when to adopt AASB 15.

There are no other standards that are not yet effective and that are expected to have a material impact on the Funds in the current or future reporting periods and on foreseeable future transactions.

3 Net assets attributable to unitholders

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

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

	Global Infrastructure Securities Fund			
Net assets attributable to unitholders	**Half-year ended 31 December 2016 No. of units '000**	Period from 11 November 2015 to 31 December 2015 No. of units '000	**Half-year ended 31 December 2016 $'000**	Period from 11 November 2015 to 31 December 2015 $'000
Opening balance	**4,185**	-	**10,556**	-
Applications	**3,519**	-	**8,738**	-
Redemptions	**(279)**	-	**(598)**	-
Units issued upon reinvestment of distributions	**8**	-	**21**	-
Change in net assets attributable to unitholders	**-**	-	**(19)**	-
Closing balance	**7,433**	-	**18,698**	-

3 Net assets attributable to unitholders (continued)

	Dynamic Markets Fund			
Net assets attributable to unitholders	**Half-year ended 31 December 2016 No. of units '000**	Period from 11 November 2015 to 31 December 2015 No. of units '000	**Half-year ended 31 December 2016 $'000**	Period from 11 November 2015 to 31 December 2015 $'000
Opening balance	-	-	-	-
Applications	5,172	-	12,965	-
Redemptions	(21)	-	(23)	-
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders	-	-	462	-
Closing balance	5,151	-	13,404	-

Capital risk management

The Funds consider their net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of eligible unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an application for units and to extend the period allowed for satisfaction of redemption of units or reject or spread redemptions in specified circumstances.

4 Distributions to unitholders

The distributions paid/payable for the half-year were as follows:

	Global Infrastructure Securities Fund		Dynamic Markets Fund	
	Half-year ended		Half-year ended	
	31 December 2016 $'000	31 December 2016 Cents per unit	31 December 2016 $'000	31 December 2016 Cents per unit
Distributions				
September distribution - paid	**36**	**0.52**	**-**	**-**
December distribution - payable	**76**	**1.02**	**214**	**4.15**
Total distributions	**112**	**1.54**	**214**	**4.15**

5 Financial instruments held at fair value through profit or loss

	Global Infrastructure Securities Fund		Dynamic Markets Fund	
	As at 31 December 2016 $'000	As at 30 June 2016 $'000	**As at 31 December 2016 $'000**	As at 30 June 2016 $'000
Financial assets				
Designated at fair value through profit or loss				
Listed instruments	**18,404**	10,207	**5,829**	-
Held for trading				
Foreign currency forward contracts	**-**	**-**	**22**	**-**
Futures	**-**	**-**	**86**	**-**
Total financial assets held at fair value through profit or loss	**18,404**	10,207	**5,937**	**-**
Financial liabilities				
Held for trading				
Options	**-**	**-**	**79**	**-**
Total financial liabilities held at fair value through profit or loss	**-**	**-**	**79**	**-**

6 Fair value measurements

AASB 13 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).

Fair value estimation

The carrying amounts of the Funds' assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in statement of comprehensive income.

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

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

The Funds values its investments in accordance with the accounting policies set out in the 30 June 2016 financial statements. For the majority of its investments, the Funds rely on information provided by independent pricing services for the valuation of its investments.

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

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

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

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

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

6 Fair value measurements (continued)

Fair value estimation (continued)

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

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

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

(iii) Recognised fair value measurements

The tables below set out the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value heirarchy at 31 December 2016 and 30 June 2016:

Global Infrastructure Securities Fund	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
At 31 December 2016				
Financial assets				
Financial assets designated at fair value through profit or loss				
Listed instruments	**18,404**	**-**	**-**	**18,404**
Total	**18,404**	**-**	**-**	**18,404**
At 30 June 2016				
Financial assets				
Financial assets designated at fair value through profit or loss				
Listed instruments	10,207	-	-	10,207
Total	10,207	-	-	10,207

6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

Dynamic Markets Fund	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
At 31 December 2016				
Financial assets				
Financial assets designated at fair value through profit or loss				
Listed instruments	5,829	-	-	5,829
Held for trading				
Foreign currency forward contracts	-	22	-	22
Futures	86	-	-	86
Total	5,915	22	-	5,937
Financial liabilities				
Financial liabilities held for trading				
Options	79	-	-	79
Total	79	-	-	79

(iv) Transfers between levels

There were no transfers between levels for the half-year ended 31 December 2016 and the period ended 30 June 2016.

(v) Movement in Level 3 instruments

There were no investments classified as Level 3 within the Funds as at 31 December 2016 and 30 June 2016.

(vi) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables approximate their fair values.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. The difference is not material in the current period.

7 Events occurring after the reporting period

No significant events have occurred since the reporting period which would impact on the financial position of the Funds disclosed in the balance sheet as at 31 December 2016 or on the results and cash flows of the Funds for the half-year ended on that date.

8 Related party transactions

As at 31 December 2016, AMP Life Limited holds 4,000,000 units in Global Infrastructure Securities Fund and 4,000,000 units in Global Property Securities Fund.

There have been no significant changes to the related party transactions disclosed in the previous annual report.

All transactions with related parties are conducted on normal terms and conditions. From time to time the Responsible Entity or its director-related entities may invest or withdraw from the Funds. These investments or withdrawals are on the same terms and conditions as those entered into by other fund investors and are trivial and domestic in nature.

9 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2016 and 30 June 2016.

Directors' declaration

BetaShares Capital Ltd present the Directors' Declaration in respect of the following funds:

AMP Capital Global Infrastructure Securities Fund (Unhedged) (Managed Fund)
AMP Capital Dynamic Markets Fund (Hedge Fund)

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 6 to 18 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001;* and

  (ii) giving a true and fair view of the Funds' financial position as at 31 December 2016 and of its performance for the half-year ended on that date.

(b) there are reasonable grounds to believe that the Funds will be able to pay its debts as and when they become due and payable.

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

David Nathanson
Director

Alex Vynokur
Director

Sydney
13 March 2017

Independent Auditor's Review Report

To the Unitholders of the following Schemes ("the Schemes"):

AMP Capital Global Infrastructure Securities Fund (Unhedged) (Managed Fund)
AMP Capital Dynamic Markets Fund (Hedge Fund)

Conclusion

We have reviewed the accompanying ***Condensed Interim Financial Report*** of the Schemes.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed interim Financial Report of the Schemes is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Schemes' financial position as at 31 December 2016 and of their performance for the Half-year Period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Condensed Interim Financial Report*** comprises:

- Condensed Statements of financial position as at 31 December 2016
- Condensed Statements of profit or loss and other comprehensive income
- Condensed Statements of changes in equity and Condensed Statements of cash flows for the half-year ended on that date
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration

Responsibilities of the Directors for the Condensed Interim Financial Report

The Directors of the Scheme are responsible for:

- the preparation of the Condensed Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Report that are free from material misstatement whether due to fraud or error.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Auditor's responsibility for the review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Reports based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Condensed Interim Financial Report are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Schemes' financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of the Schemes, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial reports.

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

Independence

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

KPMG

KPMG

Tim Aman

Partner

Sydney

13 March 2017