
Atlantic Pacific Australian Equity Fund

ARSN 158 861 155

Interim report for the financial half-year ended 31 December 2015

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This half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this half-year report shall be read in conjunction with the annual report for the year ended 30 June 2015.

Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the responsible entity of Atlantic Pacific Australian Equity Fund ("APAEF" or the "Fund"), submit their report together with the financial statements for the Fund for the half-year ended 31 December 2015.

Responsible Entity

The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

Directors

The names of the directors of the Responsible Entity, during the half-year and up to the date of this report are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director

Principal Activities

The Fund is a registered managed investment scheme, domiciled in Australia. The Fund was constituted on 1 May 2012, and commenced operations on 1 June 2013.

The principal activity of the Fund during the half-year was to invest in accordance with the provisions of the Fund's Constitution and its most recent Product Disclosure Statement, dated 1 February 2014.

The Fund's primary emphasis is to invest in a diversified portfolio of small to large cap Australian listed securities, and securities in respect of which listing has been proposed. Cash, cash equivalents, convertible notes and derivatives may also be included.

In relation to derivatives, these are used by APSEC Funds Management Pty Ltd, the Fund's investment manager (the "Investment Manager") for the dominant purpose of more efficiently gaining or reducing an economic exposure, through the use of exchange-traded derivatives, to the underlying reference assets of those derivatives. The Investment Manager's practice is to use derivatives only on a temporary basis, so that they are closed out within a 28 day period.

There may be circumstances where derivatives are not used for the dominant purpose of more efficiently gaining or reducing economic exposure to the underlying reference assets of those derivatives. In such circumstances, the notional derivatives exposure of the Fund (i.e. the sum of the absolute short and long notional principal amounts of all derivatives, adjusted for any offsetting exposures on the same asset on the same terms), will not exceed 10% of its net asset value, unless the exposure is attributable to circumstances that were not reasonably foreseeable by the Investment Manager such as unforeseen market movements or large redemption requests, and the exposure is for a period of no more than three consecutive business days.

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

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Comprehensive Income of these financial statements. The net profit attributable to unitholders for the half-year ended 31 December 2015 was \$1,450,759 (31 December 2014: \$631,027).

Distributions

In respect of the financial half-year ended 31 December 2015, no distributions (31 December 2014: \$ nil) were paid to unitholders.

Directors' Report (continued)

Value of Assets and Units Issued

The total value of the Fund's assets at 31 December 2015 is \$18,884,856 (30 June 2015: \$13,851,555). The total number of units on issue as at 31 December 2015 is 14,184,381 (30 June 2015: 10,896,999).

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the half-year and as at 31 December 2015 (31 December 2014: nil).

Significant Changes in State of Affairs

During the financial half-year there were no significant changes in the state of affairs of the Fund.

Subsequent Events

On 14 March 2016, OMIFL announced that the Investment Manager has requested OMIFL to retire as responsible entity of the Fund and for a resolution to be put to members of the Fund to appoint Equity Trustees Limited as the new responsible entity of the Fund.

It is proposed that a notice of meeting be issued to existing unitholders in early April 2016 ("Notice of Meeting") with a meeting to be held in early May 2016, to seek member approval for the change of responsible entity.

Following the proposed change of responsible entity, the Investment Manager plans to change the investment strategy of the Fund.

Currently, the Fund is a Long Only Australian Equity fund. This allows the Fund to issue a shorter form PDS for a simple managed investment scheme pursuant to subdivision 4.2C of Part 7.9 and Schedule 10E of the Corporations Regulations 2001.

In the future, the Investment Manager wishes to broaden the Fund's strategy to include short selling of Australian equity securities while maintaining the Fund's long bias i.e. 0-100% market exposure as its primary investment objective. As a result of this change of strategy, the Fund will be regarded as a hedge fund for the purposes of ASIC's Regulatory Guide 240 Hedge funds: Improving disclosure and will be required to issue a long form product disclosure statement that complies with the fuller disclosure requirements and such regulatory guide ("New PDS").

The New PDS is expected to be issued by Equity Trustees Limited shortly after its appointment.

Other than the abovementioned, there has been no matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Likely Developments and Expected Results of Operations

The Fund will be managed in accordance with the Constitution and investment objectives as detailed in its most recent Product Disclosure Statement, dated 1 February 2014.

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

Environmental Regulation and Performance

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Directors' Report (continued)

Indemnification of Directors, Officers and Auditors

During the financial half-year, the Responsible Entity paid premiums in respect of contracts insuring the directors of the Responsible Entity against a liability incurred as a director or executive officer to the extent permitted by the Corporations Act 2001. The contracts of insurance prohibit disclosure of the nature of the liability and the amount of the premiums.

The Responsible Entity has not otherwise, during or since the end of the financial half-year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability as such an officer or auditor.

Auditor

PricewaterhouseCoopers is the auditor of the Fund and continues in office in accordance with section 327 of the Corporations Act 2001.

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 4.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle
Director
15 March 2016



Auditor's Independence Declaration

As lead auditor for the review of Atlantic Pacific Australian Equity Fund for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

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

A S Wood
Partner
PricewaterhouseCoopers

Sydney
15 March 2016

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Independent auditor's review report to the members of Atlantic Pacific Australian Equity Fund

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Atlantic Pacific Australian Equity Fund (the registered scheme), which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Atlantic Pacific Australian Equity Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Atlantic Pacific Australian Equity Fund is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date;

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b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

A S Wood

A S Wood
Partner

Sydney
15 March 2016

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) 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
- (b) the financial statements and notes set out on pages 8 to 17 are in accordance with the Corporations Act 2001, including:
 - compliance with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - give a true and fair view of the Fund's financial position as at 31 December 2015 and its performance for the half-year ended on that date.

Signed in accordance with a resolution of the directors of the Responsible Entity.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle

Director

15 March 2016

Statement of Comprehensive Income for the half-year ended 31 December 2015

	Note	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
Income			
Net gain on financial assets held at fair value through profit or loss	4	1,632,406	666,885
Dividend income		215,303	81,491
Interest income		33,615	19,158
Total income		1,881,324	767,534
Expenses			
Management fees		155,509	63,828
Performance fees		209,266	53,182
Trade commissions		46,531	12,018
Other expenses		19,259	7,479
Total expenses		430,565	136,507
Operating profit attributable to unitholders		1,450,759	631,027
Finance costs attributable to unitholders			
Distributions to unitholders		-	-
(Increase)/decrease in net assets attributable to unitholders		(1,450,759)	(631,027)
Profit/(loss) for the half-year		-	-
Comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the half-year		-	-

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Financial Position as at 31 December 2015

	Note	31 December 2015 \$	30 June 2015 \$
Assets			
Cash and cash equivalents		6,023,214	3,548,500
Dividends receivable		6,435	58,806
Interest receivable		8,661	2,610
Due from Broker		2,002,335	866,125
Other assets		80,003	54,335
Financial assets at fair value through profit or loss	5	10,803,310	9,321,179
Total assets		18,923,958	13,851,555
Liabilities			
Distribution payable		-	484,470
Management fees payable		92,936	74,612
Performance fees payable		69,237	-
Other payables		8,457	207,396
Total liabilities (excluding net assets attributable to unitholders)		170,630	766,478
Net assets attributable to unitholders - liability	6	18,753,328	13,085,077

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Changes in Equity for the half-year ended 31 December 2015

	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
Total equity at the beginning of the half-year		
Profit /(loss) for the half-year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as equity holders	-	-
Total equity at the end of the financial half-year	-	-

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

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Cash Flows for the half-year ended 31 December 2015

		Half-year ended 31 December 2015	Half-year ended 31 December 2014
	Note	\$	\$
Cash flows from operating activities			
Interest received		27,564	17,357
Dividends received		267,674	90,955
Other payments in the course of operations (inc GST)		(368,672)	(100,180)
Payments for purchase of financial assets held at fair value through profit or loss		(42,894,703)	(7,316,266)
Proceeds from sale of financial assets held at fair value through profit or loss		41,797,839	7,538,485
Net cash provided by/(used in) operating activities		(1,170,298)	230,351
Cash flows from financing activities			
Proceeds from unitholder applications	6	4,523,572	1,843,500
Payments for unitholder redemptions		(720,649)	(57,589)
Distributions paid to unitholders		(157,911)	(198,992)
Net cash provided by financing activities		3,645,012	1,586,919
Net increase in cash and cash equivalents		2,474,714	1,817,270
Cash and cash equivalents at the beginning of the half-year		3,548,500	1,338,775
Cash and cash equivalents at the end of the half-year		6,023,214	3,156,045
Non-cash financing activities		331,052	270,180

The accompanying notes to the financial statements should be read in conjunction with this statement.

Notes to the Financial Statements

1. General Information

The Fund is an unlisted registered managed investment scheme. The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"). The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

The Fund was constituted on 1 May 2012, registered as a managed investment scheme on 7 June 2012 and commenced operations on 1 June 2013.

The financial statements were authorised for issue by the directors of the Responsible Entity on 15 March 2016. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The principal activity of the Fund is disclosed in the Directors' Report.

2. Adoption of New and Revised Accounting Standards***a) Standards and Interpretations affecting amounts reported in the current year (and/or prior periods)***

The Fund has adopted all the new and revised Standards and interpretations issued by the Australian Accounting Standard Board ("AASB") that are relevant to their operations and effective for the interim period:

AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.

Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that standard to effectively be withdrawn. The adoption of these amendments has not had a material impact on the Fund.

b) Standards and Interpretations in issue but not yet adopted

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers'	1 January 2018	30 June 2019
AASB 2015-1 'Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015 -2 'Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015 – 5 'Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

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

Notes to the Financial Statements

3. Significant Accounting Policies

a) Statement of Compliance

The half-year report has been prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'.

b) Basis of preparation

This financial report for the half-year reporting period ended 31 December 2015, has been prepared under the historical cost convention, as modified by the revaluation of investments in financial assets and liabilities, which have been measured at fair value. The Fund is a for-profit entity for the purpose of preparing these financial statements.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Fund's annual financial report for the financial year ended 30 June 2015, except for the impact of the Standards and Interpretations described in Note 2 a). These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The preparation of financial statements in conformity with Australian Accounting Standards can require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions can be based on the historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which would form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. There was no use of judgments, estimates and assumptions in determining the carrying values of assets, liabilities, income and expenses as at 31 December 2015.

All amounts are presented in Australian dollars as the functional and presentational currency of the Fund.

4. Net gain on financial assets held at fair value through profit or loss

	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
Unrealised gain on financial assets designated at fair value through profit or loss	727,343	93,332
Realised gain on financial assets designated at fair value through profit or loss	905,063	573,553
Net fair value gain on financial assets designated at fair value through profit or loss	1,632,406	666,885

Notes to the Financial Statements

5. Investments in Financial Instruments

Financial assets held at fair value through profit or loss

	31 December 2015	30 June 2015
	\$	\$
Financial assets held at fair value through profit or loss		
Comprising:		
Investments in equity securities		
Investments in listed securities	10,803,150	9,220,269
Total equity securities	10,803,150	9,220,269
Investments in derivatives		
Investments in listed futures	-	100,750
Investments in listed equity options	160	160
Total derivatives	160	100,910
Total financial assets held at fair value through profit or loss	10,803,310	9,321,179

Financial liabilities held at fair value through profit or loss

	31 December 2015	30 June 2015
	\$	\$
Financial liabilities held at fair value through profit or loss		
Comprising:		
Investments in derivatives		
Investments in listed futures	-	-
Total derivatives	-	-
Total financial liabilities held at fair value through profit or loss	-	-

Fair value hierarchy

Financial instruments carried at fair value are categorised under a three level hierarchy. Financial instruments are categorised based on the observable market inputs when estimating their fair value. If different levels of inputs are used to measure a financial instrument's fair value, the instrument's classification within the hierarchy is based on the lowest level of input that was significant to the fair value measurement.

Level 1:

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2:

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

Notes to the Financial Statements

5. Investments in Financial Instruments (continued)

Fair value hierarchy (continued)

Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

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

The following table shows an analysis of financial instruments held at 31 December 2015 and 30 June 2015, recorded at fair value and presented by level of the fair value hierarchy:

31 December 2015				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Investments in equity securities	10,803,150	-	-	10,803,150
Investments in derivatives	160	-	-	160
Total financial assets held at fair value through profit or loss	10,803,310	-	-	10,803,310

30 June 2015				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Investments in equity securities	9,220,269	-	-	9,220,269
Investments in derivatives	100,910	-	-	100,910
Total financial assets held at fair value through profit or loss	9,321,179	-	-	9,321,179

31 December 2015				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial liabilities				
Investments in derivatives	-	-	-	-
Total financial liabilities held at fair value through profit or loss	-	-	-	-

30 June 2015				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial liabilities				
Investments in derivatives	-	-	-	-
Total financial liabilities held at fair value through profit or loss	-	-	-	-

The fair value of financial instruments above was determined using the last traded quoted price in an active market.

Notes to the Financial Statements

5. Investments in Financial Instruments (continued)

Fair value hierarchy (continued)

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels during the half-year.

Disclosed fair values

The carrying value for all financial instruments other than those measured at fair value approximates fair value.

6. Net Assets Attributable to Unitholders

Half-year ended 31 December 2015

	No. of Units	\$
Opening balance as at 1 July 2015	10,896,999	13,085,077
Applications for units by unitholders	3,507,127	4,523,572
Reinvestments by unitholders	275,716	331,052
Redemptions of units by unitholders	(495,461)	(637,132)
Increase in net assets attributable to unitholders	-	1,450,759
Closing balance as at 31 December 2015	14,184,381	18,753,328

Half-year ended 31 December 2014

	No. of Units	\$
Opening balance as at 1 July 2014	4,340,584	4,880,093
Applications for units by unitholders	1,585,134	1,843,500
Reinvestments by unitholders	240,310	270,180
Redemptions of units by unitholders	(39,476)	(47,100)
Increase in net assets attributable to unitholders	-	631,027
Closing balance as at 31 December 2014	6,126,552	7,577,700

7. Related Party Transactions

a) Management Fees Paid and Payable

Management fees are the fees charged to manage and oversee the operation of the Fund. Under the Constitution, the Responsible Entity has the right to charge up to 5% (including GST) of the gross asset value of the Fund as a management fee. Per the Product Disclosure Statement dated 1 February 2014, the Responsible Entity will only charge a management fee of 2% per annum (including GST) of the gross asset value of the Fund. The fee accrues daily and is payable monthly in arrears out of the assets of the Fund.

The Responsible Entity pays the costs of third parties providing administrative and registry services ("Admin Fees") to the Fund out of the management fee. If, at any time the management fee charged by the Responsible Entity is not sufficient to meet the Admin Fees and the Investment Manager has not paid the Admin Fees, then the Fund will pay the Admin Fees.

The Responsible Entity also pays the Investment Manager an annual investment management fee for providing investment management services to the Fund.

The Responsible Entity is entitled to be reimbursed out of the Fund for fund related expenses such as legal fees, taxation advice, audit fees, costs of members' meeting, etc. It is anticipated that expense recoveries will amount to no more than 0.20% of the gross asset value of the Fund per annum.

Notes to the Financial Statements**7. Related Party Transactions (continued)*****a) Management Fees Paid and Payable (continued)***

The following management fees were paid or payable out of the Fund's property during the half-year ended 31 December 2015:

- Management fees of \$155,509 (31 December 2014: \$63,828) were incurred during the period; and
- Management fees payable at 31 December 2015 were \$92,936 (30 June 2015: \$74,612).

i) Other fees paid to related parties

The Responsible Entity has appointed third party service providers to the Fund, some of whom are related parties of the Responsible Entity. The following entities, which are related parties of the Responsible Entity, have provided services to the Fund during the half-year ended 31 December 2015:

- Unity Fund Services Pty Limited (ACN 146 747 122) – fund administration services
- Unity Tax Services Pty Limited (ACN 147 393 557) – taxation services
- One Registry Services Pty Limited (ACN 141 757 360) – unit registry services
- One Managed Investment Funds Limited (ACN 117 400 987) – custodial services

None of the above have received any remuneration directly from the Fund in relation to these services and are remunerated out of the Management Fee of \$155,509 for the half-year ended 31 December 2015 (2014: \$63,828) and General Fund Expense Fee of \$15,751 for the half-year ended 31 December 2015 (2014: \$6,465). To the extent there is a shortfall in relation to these expenses, they will be paid by the Investment Manager.

b) Performance Fees Paid and Payable

The Investment Manager is entitled to be paid a performance fee of 15% (including GST and net of reduced input tax credits) of any increased net performance of the Fund per Unit once the high water mark (being the highest net asset value of the Fund at the end of a previous month, divided by the number of units on issue and adjusting for payment of fees and distributions) has been exceeded for the month, subject to the Fund's performance exceeding the S&P/ASX200 Accumulation Index by 3.0% per annum ("Performance Hurdle"). If a performance fee is payable, then it will accrue monthly and be paid within 30 days of the end of the relevant quarter.

If either the Performance Hurdle is not met or the high water mark of the Fund is not exceeded by the performance of the Fund in any particular month, then no performance fee is payable for that month. Any negative performance (or underperformance) will be carried forward.

The following performance fees were paid or payable out of the Fund's property during the half-year ended 31 December 2015:

- Performance fees of \$209,266 (31 December 2014: \$53,182) were incurred during the period; and
- Performance fees payable at 31 December 2015 were \$69,237 (30 June 2015: \$nil).

8. Contingent Assets, Liabilities and Commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2015 (30 June 2015: \$ nil).

9. Subsequent Events

On 14 March 2016, OMIFL announced that the Investment Manager has requested OMIFL to retire as responsible entity of the Fund and for a resolution to be put to members of the Fund to appoint Equity Trustees Limited as the new responsible entity of the Fund.

Notes to the Financial Statements

9. Subsequent Events (continued)

It is proposed that a notice of meeting be issued to existing unitholders in early April 2016 ("Notice of Meeting") with a meeting to be held in early May 2016, to seek member approval for the change of responsible entity.

Following the proposed change of responsible entity, the Investment Manager plans to change the investment strategy of the Fund.

Currently, the Fund is a Long Only Australian Equity fund. This allows the Fund to issue a shorter form PDS for a simple managed investment scheme pursuant to subdivision 4.2C of Part 7.9 and Schedule 10E of the Corporations Regulations 2001.

In the future, the Investment Manager wishes to broaden the Fund's strategy to include short selling of Australian equity securities while maintaining the Fund's long bias i.e. 0-100% market exposure as its primary investment objective. As a result of this change of strategy, the Fund will be regarded as a hedge fund for the purposes of ASIC's Regulatory Guide 240 Hedge funds: Improving disclosure and will be required to issue a long form product disclosure statement that complies with the fuller disclosure requirements and such regulatory guide ("New PDS").

The New PDS is expected to be issued by Equity Trustees Limited shortly after its appointment.

Other than the abovementioned, there has not been any matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.