

# **MERCHANT OPPORTUNITIES FUND**

**ARSN 111 456 387**

**INTERIM FINANCIAL REPORT**  
**For the six months ended 31 December 2015**

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**For the six months ended 31 December 2015**

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**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Corporate Directory**

**Responsible Entity**

CIP Licensing Limited

**Directors of the Responsible Entity**

|                      |   |                        |
|----------------------|---|------------------------|
| David McKay French   | - | Executive Chairman     |
| Owen Evans           | - | Executive Director     |
| Lance Livermore      | - | Executive Director     |
| Christopher Heyworth | - | Executive Director     |
| Michael Peet         | - | Non-Executive Director |

**Secretary**

Richard Symons

**Registered Office**

CIP Licensing Limited  
Suite 1B 103 Bolsover St,  
Rockhampton QLD 4700

**Auditors of the Fund**

HLB Mann Judd  
Level 4, 130 Stirling Street  
PERTH WA 6000

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Directors' Report**  
**For the six months ended 31 December 2015**

The Directors of CIP Licensing Limited (ABN 63 603 558 658), the Responsible Entity of Merchant Opportunities Fund ("the Fund"), submit their report for the Fund for the six months ended 31 December 2015, and the auditor's report thereon.

**Directors**

The names of the directors of the Responsible Entity in office during the period and until the date of this report are:

*David McKay French – B.Econs, Dip.Corp Management*

David French is Managing Director and Head of Financial Planning. David was responsible for building Capricorn Investment Partners Limited from scratch. The business now looks after about \$550 million in investments including those held in two managed investment schemes. David has more than 20 years' experience in finance and economics, most of which have been in investment markets. David was rated as high as number 3 in Australia as an investment analyst, holds a Bachelor of Economics, a Diploma in Corporate Management and is RG 146 compliant. David has also completed a range of other courses relating to valuation of companies and investments. With the assistance of two qualified advisors, David oversees all financial planning, investing and superannuation matters for new and existing clients.

*Mr. Owen Evans - BA (Hons), MSc(Econ)*

Mr Evans is an experienced investment professional with almost 30 years' experience in research, valuation and funds management. He has been rated number one analyst for building materials, construction and emerging companies while at UBS Australia and judged Money Management Fund Manager of the Year in 2005 and 2006 as Chief Investment officer at MIR Australia. Between 1997 and 2010, Mr Evans was sole analyst on the IPO's of Bristle, AWB, Transfield Services, Worley Parsons and NRW. He is currently principal of Yaz Investment Pty Ltd, and provides consulting services for mid-sized Australian Companies such as Adelaide Brighton, Brickworks Ltd, Calibre Global and Dulux. He also provides investment consulting advice for global fund managers. Mr Evans is currently non-Executive President of the Manly Warringah Basketball Association and is a past director Director of the Sydney Harbour Foreshore Authority.

*Michael Peet – Non Executive Director*

Michael Peet has been in the Australian Financial Markets Industry for over 20 years. Positions held include Equity Analyst, Fund Manager, Consultant and Investment Advisor. He is currently employed at Commonwealth Bank of Australia in the Institutional Banking and Markets Division where he holds the position of Director, Head of Emerging Companies Research for CBA's Institutional Stockbroking operations. He was previously employed by CIPL, Alliance Bernstein, UBS and County NatWest Securities. Michael is currently on the Board of Trustees for Samuel Smith & Son's Investment Trust, Gensix.

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Directors' Report (continued)**  
**For the six months ended 31 December 2015**

*Lance Livermore – Executive Director*

Lance Livermore is a Certified Financial Planner and also a Certified Practicing Accountant. He attained his original qualification in Albury prior to establishing himself in a financial controller role with Potter Warburg in Melbourne. He has in excess of 30 years' experience in both stockbroking and financial planning and was a founding partner of Bailey Livermore Financial Services, a predecessor organisation of the Pentad Group and Capricorn Investment Partners Limited.

*Christopher Heyworth – Executive Director*

Christopher Heyworth is a qualified accountant (Institute of Chartered Accountants in England and Wales) who has worked in the financial planning industry for more than 25 years. He is a Certified Financial Planner and has been the principal of his own business as well as working as a significant co-owner alongside others prior to the planned sale of the Pentad Group in 2013. Chris continues as an employed financial planner under the new ownership structure. Earlier career experience includes mainstream accounting and audit roles with multi-national commercial enterprises in a variety of locations.

All of the above Directors have been in office from the beginning of the period until the date of this report.

## **PRINCIPAL ACTIVITIES**

The principal activity of the Fund during the six months was to invest funds in accordance with the provisions of the Fund's Constitution.

The Fund is a diversified investment fund, investing in listed and unlisted Australian shares.

There has been no significant change in the nature of this activity during the six months.

## **SCHEME INFORMATION**

Merchant Opportunities Fund is an Australian registered scheme, and was constituted on 18 October 2004. CIP Licensing Limited was appointed as the Responsible Entity of the Fund on 4 May 2015. Previously the responsible entity was Capricorn Investment Partners Limited. CIP Licensing Limited is incorporated and domiciled in Australia. Merchant Funds Management Pty Ltd, the investment manager of the Fund, is responsible for the day to day management of the Fund.

The registered office of the Responsible Entity is located at Suite 1B 103 Bolsover St, Rockhampton QLD 4700. The Custodian is the Trust Company (Australia) Limited. The registered office of the Custodian is located at 35 Clarence Street, Sydney NSW 2000.

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Directors' Report (continued)**  
**For the six months ended 31 December 2015**

**REVIEW OF RESULTS AND OPERATIONS**

**Results**

The net operating income of Merchant Opportunities Fund is presented in the Statement of Comprehensive Income. Net operating profit for the six months ended 31 December 2015 was \$10,463,971 (31 December 2014: Loss \$1,742,733).

**Distributions**

No distribution will be paid for the six months ended 31 December 2015. No distributions were paid for the six months ended 31 December 2014.

**SCHEME ASSETS**

At 31 December 2015 Merchant Opportunities Fund held net assets of \$22,062,900 (30 June 2015: \$10,298,929).

**AUDITOR'S INDEPENDENCE DECLARATION**

HLB Mann Judd, our auditors, have provided a written independence declaration to the Directors of the Responsible Entity in relation to their review of the Interim Financial Report for the six months ended 31 December 2015. This independence declaration, which forms part of the Directors' Report, can be found at page 7.

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



David French  
Executive Director

Rockhampton  
15 March 2016

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the unitholders of Merchant Opportunities Fund

### Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Merchant Opportunities Fund ("the Fund"), which comprises the condensed interim statement of financial position as at 31 December 2015, the condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' responsibility for the half-year financial report*

The directors of CIP Licensing 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 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 Fund'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 the 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 the Merchant Opportunities Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**



**M R W Ohm**  
**Partner**

**Perth, Western Australia**  
**15 March 2016**



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Merchant Opportunities Fund for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia  
15 March 2016

M R W Ohm  
Partner

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Directors' Declaration**  
**For the six months ended 31 December 2015**

In accordance with a resolution of the Directors of CIP Licensing Limited, the Responsible Entity of Merchant Opportunities Fund, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes set out on pages 9 to 17 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Fund's financial position as at 31 December 2015 and of its performance for the six months ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting", and Corporations Regulations 2001; and
- (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.

On behalf of the Board  
CIP Licensing Limited



David French  
Executive Director

Rockhampton  
15 March 2016

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Condensed Interim Statement of Comprehensive Income**  
**For the six months ended 31 December 2015**

|  | Notes | 31 Dec<br>2015<br>\$ | 31 Dec<br>2014<br>\$ |
|--|-------|----------------------|----------------------|
| <b>Revenue</b>   |       |                      |                      |
| Interest income  |       | 7,531                | 3,584                |
| Net gain/(loss) on financial investments through profit and loss |       | 12,896,752           | (2,501,113)          |
| Distributions received   |       | -                    | 870,066              |
|  |       | <u>12,904,283</u>    | <u>(1,627,463)</u>   |
| <b>Expenses</b>  |       |                      |                      |
| Responsible Entity and Fund Manager fees                         |       | (73,600)             | (53,109)             |
| Auditors' remuneration   |       | (24,485)             | (13,962)             |
| Custodian and administration fees                                |       | (21,448)             | (21,230)             |
| Compliance fees  |       | (15,443)             | (10,230)             |
| Performance fees   |       | (2,273,568)          | -                    |
| Other expenses   |       | (31,768)             | (16,739)             |
|  |       | <u>(2,440,312)</u>   | <u>(115,270)</u>     |
| <b>Profit/(loss) from operating activities</b>                   |       | 10,463,971           | (1,742,733)          |
| <b>Other Comprehensive Income</b>                                |       | -                    | -                    |
| <b>Total Comprehensive Income/(Loss) For The Period</b>          | 2(b)  | <u>10,463,971</u>    | <u>(1,742,733)</u>   |

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

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Condensed Interim Statement of Financial Position**  
**As at 31 December 2015**

|   | Notes | 31 Dec<br>2015<br>\$ | 30 June<br>2015<br>\$ |
|---|-------|----------------------|-----------------------|
| <b>Assets</b>   |       |                      |                       |
| Cash and cash equivalents   |       | 288,776              | 140,963               |
| Loans and receivables:  |       |                      |                       |
| Interest, dividends and other receivables                                   |       | 31,270               | 20,031                |
| Financial assets held at fair value through profit and loss:                |       |                      |                       |
| Equity investments and units in listed and unlisted schemes                 |       | 24,104,585           | 10,295,179            |
| Debenture   |       | -                    | 186,150               |
| <b>Total assets</b>   |       | 24,424,631           | 10,642,323            |
| <b>Liabilities</b>  |       |                      |                       |
| Financial liabilities measured at amortised cost:                           |       |                      |                       |
| Accrued expenses  |       | 2,328,740            | 321,018               |
| Accounts payable  |       | 11,418               | 13,124                |
| Responsible entity and fund manager fees payable                            |       | 21,573               | 9,252                 |
| <b>Total Liabilities (excluding net assets attributable to Unitholders)</b> |       | 2,361,731            | 343,394               |
| <b>Net assets attributable to unitholders - Liability</b>                   | 2(b)  | 22,062,900           | 10,298,929            |

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

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Condensed Interim Statement of Cash Flows**  
**For the six months ended 31 December 2015**

|   | <b>31 Dec<br/>2015</b> | <b>31 Dec<br/>2014</b> |
|---|------------------------|------------------------|
|   | <b>\$</b>              | <b>\$</b>              |
| <b>Cash flows from operating activities</b>               |                        |                        |
| Proceeds from sale of investments                         | 1,095,583              | 1,663,076              |
| Purchase of investments                                   | (1,822,087)            | (1,692,397)            |
| Interest received   | 7,531                  | 5,162                  |
| Dividends and distributions received                      | -                      | 249,777                |
| Payments to suppliers                                     | (123,517)              | (89,179)               |
| Payments to responsible entity and fund manager           | (309,625)              | (56,464)               |
| <b>Net cash flows (used in)/from operating activities</b> | <u>(1,152,115)</u>     | <u>79,975</u>          |
| <b>Cash flows from financing activities</b>               |                        |                        |
| Share capital application                                 | 2,300,000              | -                      |
| Share capital redemption                                  | (1,000,072)            | -                      |
| <b>Net cash flows from financing activities</b>           | <u>1,299,928</u>       | <u>-</u>               |
| Net increase in cash and cash equivalents                 | 147,813                | 79,975                 |
| Cash and cash equivalents at 1 July                       | 140,963                | 48,449                 |
| <b>Cash and cash equivalents at 31 December 2015</b>      | <u><u>288,776</u></u>  | <u><u>128,424</u></u>  |

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

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Condensed Interim Statement of Changes in Equity**  
**For the six months ended 31 December 2015**

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

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Notes to the condensed interim financial statements**  
**For the six months ended 31 December 2015**

**Note 1 Basis of Preparation of the Condensed Interim Financial Report**

**(a) Reporting Entity**

Merchant Opportunities Fund (the Fund) is an Australian Registered Scheme, and was constituted on 18 October 2004 under the Corporations Act 2001. The Fund is a for profit entity. CIP Licensing Limited was appointed as the Responsible Entity of the Fund on 4 May 2015. Previously the responsible entity was Capricorn Investment Partners Limited. CIP Licensing Limited is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Suite 1B, 103 Bolsover St, Rockhampton QLD 4700.

Merchant Funds Management Pty Ltd is the investment manager of the Fund and is responsible for the day to day management of the Fund.

The condensed interim financial report of the Fund is for the six months ended 31 December 2015.

**(b) Statement of Compliance**

The condensed interim financial report is a general purpose financial report, which has been prepared in accordance with the AASB 134 Interim Financial Reporting and the requirements of the Corporations Act 2001.

The condensed interim financial report does not include all the information required for the full annual financial report and should be read in conjunction with the annual financial report of the Fund for the year ended 30 June 2015.

The condensed interim financial report was authorised for issue by the directors of the Responsible Entity on the 15 March 2016.

**(c) Basis of Preparation**

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial assets.

The accounting policies and methods of computation applied by the Fund in this interim financial report are the same as those applied by the Fund for the year ended 30 June 2015.

**(d) Standards and Interpretations applicable to 31 December 2015**

In the half year ended 31 December 2015, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the scheme and effective for the current annual reporting period.

As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the scheme and, therefore, no change is necessary to accounting policies.

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Notes to the condensed interim financial statements (continued)**  
**For the six months ended 31 December 2015**

*Standards and Interpretations in issue not yet adopted*

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the current annual reporting period. As a result of this review the directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the scheme and, therefore, no change is necessary to accounting policies.

| <b>Note 2 Net assets attributable to unitholders</b>                    | <b>Six months to<br/>31 December<br/>2015</b> | <b>Year to<br/>30 June<br/>2015</b> |
|---|---|-------------------------------------|
| <b>(a) Units on issue</b>   | <b>Number</b>                                 | <b>Number</b>                       |
| Units on issue as at beginning of reporting period                      | 17,160,342                                    | 17,642,242                          |
| Units issued/(redeemed or cancelled) during reporting period            | 1,829,871                                     | (481,900)                           |
| Units on issue as at the end of the reporting period                    | <u>18,990,213</u>                             | <u>17,160,342</u>                   |
|   | <b>Six months to<br/>31 December<br/>2015</b> | <b>Year to<br/>30 June<br/>2015</b> |
| <b>(b) Movement in net assets attributable to unitholders</b>           | <b>\$</b>                                     | <b>\$</b>                           |
| Net assets attributable to unitholders at beginning of reporting period | 10,298,929                                    | 12,008,916                          |
| Total comprehensive (loss)/income for the period                        | 10,463,971                                    | (1,440,727)                         |
| Units Issued/(redeemed or cancelled) during the reporting period        | 1,300,000                                     | (269,260)                           |
| Net assets attributable to unitholders at the end of reporting period   | <u>22,062,900</u>                             | <u>10,298,929</u>                   |

**Note 3 Distributions**

There were no distributions for the half year.

**Note 4 Related parties**

The Responsible Entity, CIP Licensing Limited charges a monthly fee of \$4,583.34 (GST inclusive) and the remaining fees are paid to the Fund Manager, Merchant Funds Management Pty Ltd. Total management fees paid to the Responsible Entity and Fund Manager during the six months ended 31 December 2015 were \$78,448 (GST inclusive) (31 December 2014: \$56,459). There were payables of \$21,573 as at 31 December 2015 (30 June 2015: \$9,252)



**Merchant Opportunities Fund**  
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**Notes to the condensed interim financial statements (continued)**  
**For the six months ended 31 December 2015**

In addition, total performance fees paid to CIP Licensing Limited during the six months ended 31 December 2015 were \$266,518 (GST inclusive) (31 December 2014: nil). Accrued performance fees as at 31 December 2015 were \$2,291,740 (30 June 2015: \$266,518).

**Note 5 Contingencies**

There are no contingent liabilities or contingent assets as at 31 December 2015 (30 June 2015: Nil)

**Note 6 Subsequent Events**

A meeting of unitholders was held on 26 February 2016 to consider changes to the Funds constitution in respect to the fee structure. All resolutions put to the meeting were special resolutions and were passed by the required majority by way of a poll. These changes take effect on 1 March 2016.

**Note 7 Financial Instruments**

*Carrying amount versus fair values*

The fair values of financial assets and financial liabilities approximate their carrying amounts in the condensed statement of financial position.

*Financial risk management*

During the six months ended 31 December 2015 the Fund's financial risk management objectives and policies are consistent with those disclosed in Fund's annual financial report.

*Fair Value Hierarchy*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those instruments valued based on techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Notes to the condensed interim financial statements (continued)**  
**For the six months ended 31 December 2015**

**Note 7 Financial Instruments (continued)**

| <b>31 December 2015</b>   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|---|----------------|----------------|----------------|--------------|
| Financial assets classified as fair value through profit and loss | \$21,379,465   | -              | \$2,725,120    | \$24,104,585 |

During the six months ended 31 December 2015, MMJ Phytotech Limited shares were transferred from Level 2 to Level 1 of the fair value hierarchy.

*Level 3 fair values*

Reconciliation of level 3 fair value measurements of financial assets for the six months ended 31 December 2015.

|   | <b>Fair value through profit or loss</b> |
|---|--|
|   | <b>\$</b>                                |
| Opening   | 3,597,545                                |
| Total gains or losses in profit or loss   | 57,789                                   |
| Purchases   | 328,300                                  |
| Sales   | (215,596)                                |
| Transfers into Level 3  | -  |
| Transfers out of Level 3  | (1,042,918)                              |
| Closing   | 2,725,120                                |
| Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period: | (820,725)                                |

**Merchant Opportunities Fund**  
**ARSN 111 456 387**  
**Notes to the condensed interim financial statements (continued)**  
**For the six months ended 31 December 2015**

**Note 7 Financial Instruments (continued)**

The measurement of fair value for the Level 3 instruments has been made based on the following:

|                                 | <b>Industry Sector</b> | <b>Basis of valuation</b>   | <b>Date of transaction</b> | <b>Fair value as at 31 December 2015</b> | <b>Fair Values as at 30 June 2015</b> |
|---------------------------------|------------------------|---|----------------------------|--|---------------------------------------|
| Auscann Group Holdings Ltd*     | Healthcare             | Price of MOF's entry price  | November 2015              | <b>\$250,000</b>                         | -                                     |
| ChimpChange Pty Ltd*            | Information Technology | Price of the most recent capital raising                            | November 2015              | <b>\$148,300</b>                         | <b>\$40,000</b>                       |
| Coal Stream Pty Ltd*            | Energy                 | Price of MOF's entry price  | April 2014                 | <b>\$75,000</b>                          | <b>\$75,000</b>                       |
| Condor Energy Services Ltd*     | Energy                 | Price of most recent investment in Condor (third-party transaction) | March 2014                 | <b>\$308,000</b>                         | <b>\$308,000</b>                      |
| Infitecs Pty Ltd*               | Information Technology | Price of the most recent capital raising                            | June 2015                  | <b>\$500,000</b>                         | <b>\$500,000</b>                      |
| Inhouse Group Ltd*              | Information Technology | Price of most recent investment (third-party transaction)           | November 2015              | <b>\$465,861</b>                         | <b>\$1,089,187</b>                    |
| Sugar Dragon Limited*           | Materials              | Price of the most recent conversion                                 | August 2015                | <b>\$377,000</b>                         | <b>\$377,000</b>                      |
| Valiant Resources Ltd*          | Energy                 | Price of MOF's most recent sales transaction                        | December 2014              | <b>\$200,001</b>                         | <b>\$200,001</b>                      |
| Village National Limited        | Property               | Price of the most recent capital raising                            | June 2015                  | <b>\$400,958</b>                         | <b>\$628,357</b>                      |
| Peppermint Innovations Limited* | Information Technology | Transferred into Level 1  | N/A                        | <b>N/A</b>                               | <b>\$380,000</b>                      |
| <b>Total</b>                    |                        |   |                            | <b>\$2,725,120</b>                       | <b>\$3,597,545</b>                    |

*\* The investments in seed and start-up venture capital investments represent 11% of the Fund's net assets. The fair value of these investments is determined with reference to the most recent transaction price which is typically the capital raising price or the most recent third party sale price. Subsequent to the latest transaction, the Responsible Entity has re-assessed the business activities of these entities to determine whether any significant changes in the circumstances or events would imply a change in the investment's fair value as at balance date.*