

Antares Cash Fund

ARSN 168 028 831

Financial Report

For the period ending 30 June 2016



Antares Cash Fund
(ARSN 168 028 831)
Financial Report
For the year ended 30 June 2016

Contents	Page
Directors' report	2
Auditor's independence declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Net Assets Attributable to Unitholders	7
Statement of Cash Flows	8
Notes to the financial statements	9
Directors' declaration	17
Independent auditor's report	18

Directors' report

The Directors of Antares Capital Partners Limited, the Responsible Entity of Antares Cash Fund (the 'Scheme'), present their report together with the financial report of the Scheme for the year ended 30 June 2016 and the independent audit report thereon.

Directors of the Responsible Entity

The names of the persons who were Directors of Antares Capital Partners Limited during or since the end of the year are as follows:

Name	Appointment Date
S C Birkenleigh	Appointed 9 September 2015
J G Duffield	Appointed 7 July 2014
P Gupta	Appointed 7 July 2014
G J Mulcahy	Appointed 7 July 2014

The registered office of Antares Capital Partners Limited is located at Ground Floor, MLC Building, 105-153 Miller St, North Sydney NSW 2060.

Principal activities

The Scheme is an unlisted registered managed investment Scheme domiciled in Australia.

The Scheme invests and transacts in money market securities and unlisted managed investment schemes in accordance with the provisions of the Constitution of the Scheme.

The Scheme did not have any employees during the year (2015: Nil).

There have been no significant changes to the activities of the Scheme during the year.

The Scheme is a for profit entity, for the purposes of preparing financial statements.

Results and review of operations

The result of the operations of the Scheme is disclosed in the Statement of Profit or Loss and Other Comprehensive Income. The result is affected by the performance of the markets to which the Scheme has exposure.

For details in relation to the Scheme's investment exposure and strategy, information can be obtained from the Product Disclosure Statement.

Distributions

The distributions for the year ended 30 June 2016 were as follows:

	\$'000	c/unit
Distributions paid and payable	1,074	1.92

Units on issue

Units on issue as at year end and movements during the year are shown in the Statement of Changes in Net Assets Attributable to Unitholders.

The total assets of the Scheme are set out in the Statement of Financial Position. The basis for valuation of the Scheme's assets is disclosed in Note 1 to the financial statements.

State of affairs

In the opinion of the Responsible Entity, there were no significant changes in the state of affairs of the Scheme that occurred during the year unless otherwise disclosed.

Likely developments

The Scheme will continue to pursue its policy of competitive returns through a selection process that identifies investment managers in each asset class.

Further information about likely developments in the operations of the Scheme and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Scheme.

Auditor's independence

The Directors received a declaration of independence from the auditor of the Scheme, a copy of which is attached to the Directors' report on page 4.

Events subsequent to the balance date

There has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to significantly affect the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme, in future financial years.

Interests of the Responsible Entity

Units held by Antares Capital Partners Limited and its related parties in the Scheme during the financial year ended 30 June 2016 are detailed in Note 8 to the financial statements.

Fees paid to the Responsible Entity during the financial period ended 30 June 2016 are detailed in Note 8(e) to the financial statements.

Environmental regulation

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

Indemnities and insurance premiums for Officers or Auditors

Indemnification

The Scheme has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an officer of the Responsible Entity or an auditor of the Scheme during the year.

Insurance premiums

During the year the ultimate parent company of the Responsible Entity, National Australia Bank Limited, has paid, or agreed to pay, premiums in respect of its officers for liability, legal expenses, insurance contracts, and premiums in respect of such insurance contracts, for the financial year ended 30 June 2016. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

Rounding

The Scheme meets the criteria set out in Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, and in accordance with that Corporations Instrument, amounts in the financial report and the Directors' report have been rounded off to the nearest thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors of Antares Capital Partners Limited:

Director: P. Gupta.

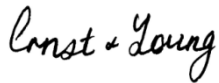
Signature: P. U

Dated at Sydney this 22nd day of September 2016.

Auditor's Independence Declaration to the Directors of Antares Capital Partners Limited, as Responsible Entity for Antares Cash Fund

As lead auditor for the audit of Antares Cash Fund for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

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



Ernst & Young



Rita Da Silva
Partner
22 September 2016

Antares Cash Fund
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2016

	Notes	2016 \$'000	For the period 26 February 2014 to 30 June 2015 \$'000
Investment income			
Distribution income	2	437	1,225
Interest income		137	2
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		<u>603</u>	<u>(320)</u>
Total investment income		<u>1,177</u>	<u>907</u>
Expenses			
Responsible Entity's fees	8(e)	65	12
Other expenses		<u>2</u>	<u>-</u>
Total operating expenses		<u>67</u>	<u>12</u>
Net operating profit		<u>1,110</u>	<u>895</u>
Financing costs			
Distributions	4	<u>1,074</u>	<u>1,212</u>
Net profit/(loss)		<u>36</u>	<u>(317)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Change in net assets attributable to unitholders		<u>36</u>	<u>(317)</u>

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

Antares Cash Fund
Statement of Financial Position
As at 30 June 2016

	Notes	2016 \$'000	2015 \$'000
Assets			
Cash and cash equivalents	10(b)	1,633	698
Receivables	6	1	1
Financial assets designated as held at fair value through profit or loss	5	<u>57,064</u>	<u>55,366</u>
Total assets		<u>58,698</u>	<u>56,065</u>
Liabilities			
Accounts payable and accrued expenses	7	19	4
Distributions payable	4	<u>369</u>	<u>809</u>
Total liabilities excluding net assets attributable to unitholders		<u>388</u>	<u>813</u>
Net assets attributable to unitholders		<u>58,310</u>	<u>55,252</u>

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

Antares Cash Fund
Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 30 June 2016

	\$'000	No. Units
Balance at 26 February 2014	-	-
Applications	63,624	63,482
Redemptions	(8,055)	(7,993)
Change in net assets attributable to unitholders	<u>(317)</u>	<u>-</u>
Balance at 30 June 2015	55,252	55,489
Applications	30,574	30,615
Redemptions	(27,552)	(27,597)
Change in net assets attributable to unitholders	<u>36</u>	<u>-</u>
Balance at 30 June 2016	<u>58,310</u>	<u>58,507</u>

The above Statement of Changes in Net Assets Attributable to Unitholders is to be read in conjunction with the accompanying notes.

Antares Cash Fund
Statement of Cash Flows
For the year ended 30 June 2016

		2016	For the period 26 February 2014 to 30 June 2015
		\$'000	\$'000
Cash flows from operating activities			
Interest received		136	1
Responsible Entity's fees paid		(55)	(8)
Payment of other expenses		(2)	-
		79	(7)
Net cash provided by/(used in) operating activities	10(a)	79	(7)
Cash flows from investing activities			
Proceeds from sale of investments		248,660	12,589
Purchases of investments		(249,313)	(67,050)
		(653)	(54,461)
Net cash (used in) investing activities		(653)	(54,461)
Cash flows from financing activities			
Applications received		30,245	63,532
Redemptions paid		(27,551)	(8,055)
Distributions paid		(1,185)	(311)
		1,509	55,166
Net cash provided by financing activities		1,509	55,166
Net increase in cash and cash equivalents		935	698
Cash and cash equivalents at the beginning of the financial year		698	-
Cash and cash equivalents at the end of the financial year	10(b)	1,633	698

The above Statement of Cash Flows is to be read in conjunction with the following notes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial report of the Scheme for the financial year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 22 September 2016.

(a) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board ('AASB') and International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

(b) Basis of preparation

The Scheme's financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on the basis of historical costs, except for financial assets and financial liabilities held at fair value and held for trading, that have been measured at fair value.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets and liabilities at fair value and net assets attributable to unitholders.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The financial statements are presented in Australian Dollars, and all values are rounded to the nearest \$'000 except where otherwise indicated.

(c) Basis of consolidation

The Scheme is an investment entity and, as such, does not consolidate any entities subject to its control. Instead, interests in controlled entities are classified at fair value through profit and loss, and measured at fair value. The Scheme does not hold a controlling interest in any of its underlying investments and therefore is not required to provide additional disclosures.

(d) Unit prices

The unit price for the units of the Scheme is calculated as at the close of business on each business day.

(e) Terms and conditions on units

Each unit issued confers upon the unitholders of the Scheme an equal interest in the Scheme, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Scheme. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- (i) have their units redeemed;
- (ii) receive income distributions;
- (iii) attend and vote at meetings of unitholders; and
- (iv) participate in the termination and winding up of the Scheme.

The rights, obligations and restrictions attached to any unit of a Scheme are identical in all respects.

(f) Financial assets and liabilities held at fair value through profit or loss

The Scheme has classified all of its investments as designated at fair value through profit or loss. Securities designated as at fair value through profit or loss are initially recognised at fair value.

Investments are valued at their fair value as at reporting date. Gains and losses arising from changes in the fair value of the financial assets designated as held at fair value through profit or loss are included in the Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

(g) Fair value measurement

Assets and liabilities measured at fair value in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement in its entirety as detailed below:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(h) Significant accounting judgements, estimates, or assumptions

The Scheme may make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements.

Estimates and assumptions

Estimates are continually evaluated and based on historical experience, available information and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of financial assets and liabilities held through profit or loss

Fair value is the price that would be received from disposing an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date.

The Scheme measures investments in financial assets and financial liabilities at fair value through profit or loss. Management applies judgement in selecting valuation techniques where there is no market price available for an instrument. Further details on the determination of fair values of financial instruments are set out in Note 9(e).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Significant accounting judgements, estimates, or assumptions (continued)

Judgements

(i) The Scheme meets the definition criteria of an investment entity under AASB 10 and therefore is required to measure its interests in controlled entities at fair value through profit or loss. The criteria which define an investment entity are as follows:

- (a) An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- (b) An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- (c) An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

(i) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank, demand deposits, futures margin, short term deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, such as units held in a cash trust.

(j) Receivables

Receivables may include amounts for interest, distributions and other income and are measured initially at fair value plus transactions costs. Amounts are generally received within 30 days of being recorded as receivable. Given the short-term nature of most receivables, the recoverable amount approximates fair value.

(k) Accounts payable and accrued expenses

Payables include outstanding settlements and accrued expenses owing by the Scheme which are unpaid as at balance date. They are measured initially at fair value plus transaction costs. Given the short-term nature of most payables, the nominal amount payable approximates fair value.

(l) Foreign currency transactions

Transactions during the year denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Overseas investments and monetary items held, together with any accrued income, are translated at the exchange rate prevailing at the year end.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in the Statement of Profit or Loss and Other Comprehensive Income as part of the 'Changes in the fair value of financial assets and liabilities at fair value through profit or loss'.

(m) Income and expenses

Revenue is brought to account on an accrual basis except where otherwise stated.

Dividend and distribution income, from listed securities and unlisted registered managed investment schemes, are recognised on the date the shares or trust units are quoted ex dividend/distribution.

Changes in the fair value of investments are recognised as income and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the year).

Expenses are brought to account on an accrual basis.

The Responsible Entity is entitled to receive a fee, calculated in accordance with the Scheme's Constitution, for the provision of management services to the Scheme. The Responsible Entity is entitled to be reimbursed, under the Scheme's Constitution, for certain expenses incurred in administering the Scheme. The amount reimbursed has been calculated in accordance with the Scheme's Constitution.

Other expenses also include government duties and bank interest expense. Auditor's remuneration has not been charged against the Scheme's income as this cost is borne by the Responsible Entity.

(n) Transfers to/from net assets attributable to unitholders

Unrealised gains and losses arising on movements in the fair value of assets, unrealised foreign currency movements and interest not yet payable to the Scheme is transferred to net assets attributable to unitholders. They are included in the determination of distributable income when assessable for taxation purposes. The taxable portion of realised capital gains is included in distributable income (net of any realised capital losses) by transfer from net assets attributable to unitholders. Non assessable income and net capital losses carried forward are also reflected as movements against components of net assets attributable to unitholders for the current financial year.

(o) Taxation

Under current legislation the Scheme is not subject to income tax as unitholders are presently entitled to the taxable income (including assessable realised net capital gains) which is distributed each year.

The unit price is based upon fair values of underlying assets and thus may include a share of unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed.

Net realised capital losses are not distributed to unitholders, but are retained to be offset against any future realised capital gains. Where realised assessable capital gains exceed realised capital losses, the excess is distributed to unitholders as assessable income for taxation purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Distributions to unitholders

The income of the Scheme is accumulated and reinvested or paid to unitholders on the last day of September, December, March, and June.

Undistributed income/(loss) includes income earned and expenses not yet paid at the last distribution day on 30 June 2016 and realised capital losses which are retained to offset future realised capital gains. These are not distributed but held for distributions in future periods.

Distributable income does not include unrealised gains and losses arising on movements in the fair value of investments; as such, unrealised gains and losses are transferred to net assets attributable to unitholders and are not assessable or distributable until realised.

Distributions are expressed as cents per unit for the distribution period.

(q) Goods and services tax

Responsible Entity fees and other expenses are recognised net of the amount of goods and services tax ('GST') recoverable from the Australian Taxation Office ('ATO') as a reduced input tax credit ('RITC').

Creditors and accruals are stated with the amount of GST included.

The net amount of GST recoverable from the ATO is included in payables in the Statement of Financial Position.

(r) Derecognition of financial instruments

The derecognition of financial instruments takes place when the Scheme no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(s) Capital management

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

The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Scheme.

In order to maintain or adjust the capital structure, the Responsible Entity may return capital to unitholders. The Scheme does not have any externally imposed capital requirements.

(t) Foreign currency transactions

Transactions during the year denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Overseas investments and monetary items held, together with any accrued income, are translated at the exchange rate prevailing at the year end.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in the Statement of Profit or Loss and Other Comprehensive Income as part of the 'Changes in the fair value of financial assets and liabilities at fair value through profit or loss'.

(u) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities due to mandatory distributions. The units can be put back to the Scheme at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to put the units back to the Scheme.

(v) Application of accounting standards

Changes in Accounting Policy

Since 1 July 2015, the Scheme has not adopted any mandatory new and amended Australian Accounting Standard that effect the financial statements.

Australian Accounting Standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Scheme for the annual reporting period ended 30 June 2016. The impact of these standards and interpretations has been assessed, to the extent applicable to the Scheme and are discussed below.

AASB 9 Financial Instruments

This standard makes changes to the way financial assets are classified for the purpose of determining their measurement basis. AASB 9 applies to annual reporting periods beginning on or after 1 January 2018 and will therefore apply to the Scheme from 1 July 2018. The Scheme does not intend to early adopt AASB 9 as permitted by the standard. The application of the standard is not expected to change the measurement basis of any of the Scheme's current financial instruments.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure initiative: AASB 101 Presentation of Financial Statements

These amendments clarify the materiality requirements in AASB 101. These amendments also clarify that specific line items in the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position may be disaggregated and that the entities have flexibility as to the order in which they present the notes to financial statements. These amendments are not expected to impact the Scheme's financial position or performance and become effective for the annual periods beginning on or after 1 January 2016 and will therefore apply to the Scheme from 1 July 2016.

NOTE 2 - DISTRIBUTION INCOME

	2016 \$'000	For the period 26 February 2014 to 30 June 2015 \$'000
Scheme distribution income:		
Unlisted managed investment schemes	437	1,225
	437	1,225

NOTE 3 - AUDITOR'S REMUNERATION

	2016	For the period
	\$	26 February 2014 to
		30 June 2015
		\$
Auditor of the Scheme:		
Ernst & Young audit and review of financial reports	7,000	7,000
Other assurance engagements	3,624	3,993
	<u>10,624</u>	<u>10,993</u>

Audit fees for the Scheme have been paid by the Responsible Entity.

NOTE 4 - DISTRIBUTIONS

Distributions paid during the year by the Scheme were as follows:

	2016		For the period	
	\$'000	c/unit	\$'000	c/unit
			26 February 2014 to	
			30 June 2015	
June	-	-	62	0.77
September	431	0.73	62	0.40
December	-	-	112	0.27
March	274	0.56	167	0.30
June - payable	369	0.63	809	1.46
	<u>1,074</u>	<u>1.92</u>	<u>1,212</u>	<u>3.20</u>

NOTE 5 - FINANCIAL ASSETS DESIGNATED AS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	For the period
	\$'000	26 February 2014 to
		30 June 2015
		\$'000
Money Market Securities		
Money market securities	57,064	-
Unlisted managed investment schemes		
Units held in unlisted managed investment schemes	-	55,366
Total financial assets designated as held at fair value through profit or loss	<u>57,064</u>	<u>55,366</u>

NOTE 6 - RECEIVABLES

	2016	For the period
	\$'000	26 February 2014 to
		30 June 2015
		\$'000
Other receivables	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

NOTE 7 - ACCOUNTS PAYABLE & ACCRUED EXPENSES

	2016	For the period
	\$'000	26 February 2014 to
		30 June 2015
		\$'000
Outstanding settlements	6	-
Amounts owing to Responsible Entity	13	4
	<u>19</u>	<u>4</u>

NOTE 8 - RELATED PARTIES

(a) Responsible Entity

The Responsible Entity of the Scheme is Antares Capital Partners Limited ABN 85 066 081 114, whose immediate holding companies are NWMH Sub Limited ABN 24 127 859 269 and National Australia Bank Limited ABN 12 004 044 937 respectively.

The Responsible Entity is incorporated and domiciled in Australia.

NOTE 8 - RELATED PARTIES (continued)

(b) Key management personnel

Directors

The names of the persons who were Directors of Antares Capital Partners Limited at any time during the financial year were as follows:

Name	Appointment Date
S C Birkenleigh	Appointed 9 September 2015
J G Duffield	Appointed 7 July 2014
P Gupta	Appointed 7 July 2014
G J Mulcahy	Appointed 7 July 2014

In addition to the Directors noted above, the Responsible Entity is considered to be a Key Management Personnel of the Scheme.

Key management personnel are paid by a related party of the Responsible Entity. Payments made from the Scheme to the Responsible Entity do not include any amounts directly attributable to key management personnel remuneration.

(c) Other related party transactions with the Scheme

From time to time the Directors of Antares Capital Partners Limited, or their Director related entities, may invest or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors.

(d) Amounts payable to the Responsible Entity

The net amount of payables to Antares Capital Partners Limited by the Scheme at balance date is shown in the table below:

	2016 \$	For the period 26 February 2014 to 30 June 2015 \$
Antares Cash Fund	13,462	3,535

(e) Responsible Entity's fees

The Responsible Entity's fees have been calculated in accordance with the Scheme's Constitution. Total fees paid and payable (net of rebates where applicable) are as follows:

Antares Cash Fund	65,158	11,966
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(f) Expense reimbursement

The Responsible Entity is entitled, under the Scheme's Constitution, to be reimbursed for certain expenses incurred in administering the Scheme.

The basis on which the expenses are reimbursable is defined in the Constitution. There were no expense reimbursements during the year (2015:Nil).

(g) Related party investments

The Scheme may purchase and sell units in other unlisted managed investment schemes managed by Antares Capital Partners Limited or its related parties in the ordinary course of business at application and redemption prices calculated in accordance with the Constitution.

The Scheme did not hold any shares in National Australia Bank Limited. It did hold units in managed investment schemes operated by the Responsible Entity as set out below. Cash and cash equivalents in the Statement of Financial Position for the Scheme is held with the National Australia Bank Limited.

The principal activities of the below named scheme is to invest and transact in money market securities and unlisted managed investment schemes, in accordance with the provisions of the Constitution of the Scheme.

The scheme is an unlisted managed investment scheme and along with its related parties is domiciled in Australia.

Antares Capital Partners Limited and its related parties	Number of units held	Interest held in the Scheme %	Fair value of investment \$	Distributions received/ receivable \$
2016				
WM Pool - Fixed Interest Trust No.11	-	-	-	437,084
2015				
WM Pool - Fixed Interest Trust No.11	55,474,965	5.49	55,365,624	1,225,340

From time to time, the Scheme may invest in money market securities issued or guaranteed by National Australia Bank Limited. These investments are in the normal course of business and on normal terms and conditions. Details of these investments held by the Scheme are set out below:

	Fair value of investment \$
2016	
Money Market Securities - National Australia Bank	13,976,291
2015	
Money Market Securities - National Australia Bank	-

NOTE 8 - RELATED PARTIES (continued)

(h) Unitholder investing activities

Details of holdings in the Scheme by Antares Capital Partners Limited and its related parties or other schemes managed by Antares Capital Partners Limited and its related parties are set out below:

Antares Capital Partners Limited and its related parties	Number of units held	Interest held in the Scheme %	Fair value of investment \$	Distributions paid/payable \$
2016				
MLC Limited	13,014,261	22.24	12,970,393	81,990
2015				
MLC Limited	-	-	-	-

NOTE 9 - FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Objectives, Policies and Processes

The Scheme's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk, equity and other price risk), liquidity and cash flow risk. The Scheme's overall risk management programme is aligned to its investment strategy as detailed in its Constitution and Product Disclosure Statement. It focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance. The Responsible Entity monitors the risk management framework, which is performed internally and reported on a quarterly basis.

(b) Credit risk

The Scheme takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The Scheme had significant concentrations of exposure to counterparties as at 30 June 2016. The concentrations are held with authorised deposit-taking institutions. There is no exposure to an individual counterparty in excess of 24% of the net assets attributable to unitholders at 30 June 2016 (2015: Nil).

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

The Scheme restricts its exposure to credit losses on trading derivative instruments by entering into master netting arrangements with counterparties (approved brokers). The credit risk associated with contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, there is the opportunity to settle outstandings on a net basis.

The Scheme minimises its exposure to credit risk on cash equivalents by only holding instruments with top-tier financial institutions.

In accordance with the Scheme's mandate, the Scheme's credit positions are monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis. Credit quality of debt instruments is managed using Standard & Poor's rating categories, in accordance with the investment mandate of the Scheme.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the year end date. The table below shows the credit quality by class of asset for debt instruments.

2016

	AAA to AA-	A+ to A-	BBB -	Total
	\$'000	\$'000	\$'000	\$'000
Money Market Securities	57,064	-	-	57,064
Total	57,064	-	-	57,064

2015

	AAA to AA-	A+ to A-	BBB -	Total
	\$'000	\$'000	\$'000	\$'000
Money Market Securities	-	-	-	-
Total	-	-	-	-

(c) Market Risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate due to changes in foreign exchange rates. There was no significant direct foreign exchange risk in the Scheme as at 30 June 2016 (2015:Nil).

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Scheme's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The changes in interest rates as disclosed in this note are based on assumed fluctuations in interest rates on floating rate financial assets. These represent what is considered to be a reasonably possible change rather than extreme fluctuations that may occur from time to time. As such, actual future market movement may differ.

NOTE 9 - FINANCIAL RISK MANAGEMENT (continued)

(c) Market Risk (continued)

(ii) Interest rate risk (continued)

The following table demonstrates the sensitivity of the Scheme's financial assets designated as held at fair value through profit or loss contained in the Statement of Financial Position to a reasonably possible change in interest rates on discount securities.

Currency	2016				2015			
	Change in interest rate (basis points)		Effect on net profit attributable to unitholders \$'000		Change in interest rate (basis points)		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
AUD	100	(100)	70	(70)	100	(100)	-	-

(iii) Equity and Other Price Risk

Equity and other price risk is the risk that the fair value of equities and unit prices decrease as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market.

To mitigate the impact of equity and other price risk the investment process ensures there is diversification of exposures within the Scheme.

Changes in price as disclosed in this note are based on an analysis of the yearly change in relevant market indices over the last 10 years. These represent what is considered to be a reasonably possible change rather than extreme fluctuations that may occur from time to time. As such, actual future market movement may differ.

The effect on the Statement of Profit or Loss and Other Comprehensive Income due to reasonably possible changes in market factors, as represented by the equity indices, with all other variables held constant are indicated in the following table:

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Fixed Interest	-%	-%	-	-	7%	-7%	3,876	(3,876)
Total			-	-			3,876	(3,876)

(d) Liquidity and cash flow risk

The Scheme is exposed to daily cash redemptions of redeemable units. Therefore, it invests the majority of its assets either in unlisted schemes with daily redemptions, or in investments that are readily disposed of in an active market, which under normal market conditions are readily convertible to cash.

Net assets attributable to unitholders are repayable on demand, subject to redemption freeze provisions. In addition the Scheme's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

In accordance with the Scheme's policy, the Scheme's liquidity position is monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis.

The Scheme's liabilities are expected to be settled within less than one month, except for amounts owing to the Responsible Entity which are expected to be settled within one to three months.

(e) Fair value of financial instruments

The Scheme's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table details how the fair values of these financial assets and financial liabilities are determined in particular, the valuation techniques applied where valuation techniques involve the use of non-market observable inputs.

Financial assets	Fair Value Hierarchy	Valuation Techniques
Interest bearing securities	2	Valued by sourcing appropriate yield curves based on credit rating, security type and term to maturity.
Unlisted managed investment schemes	2	Valued at redemption price as established by the Responsible Entity of the underlying trust.

Financial Instruments	2016			2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest bearing securities	-	57,064	-	-	-	-
Unlisted managed investment schemes	-	-	-	-	55,366	-
Total	-	57,064	-	-	55,366	-

There have been no transfers between the levels for the year ended 30 June 2016 and 30 June 2015.

NOTE 10 - NOTES TO THE STATEMENT OF CASH FLOWS

		For the period 26 February 2014 to 30 June 2015
(a) Reconciliation of operating profit to net cash flows from operating activities	2016	\$'000
	\$'000	\$'000
Net operating profit	1,110	895
Income reinvested	(437)	(1,225)
Changes in the fair value of investments	(603)	320
Changes in assets and liabilities during the financial year:		
(Increase) in other receivables	(1)	(1)
Increase in amounts owing to Responsible entity	10	4
Net cash provided by/(used in) operating activities	79	(7)

(b) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at bank	<u>1,633</u>	<u>698</u>
	1,633	698

(c) Non-cash financing and investing activities

Distributions to unitholders reinvested	<u>331</u>	<u>92</u>
	331	92

NOTE 11 - EVENTS OCCURRING AFTER THE BALANCE DATE

There has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to significantly affect the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme, in future financial years.

NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES

The Scheme had no known commitments or contingent liabilities as at 30 June 2016 (2015: Nil).

Directors' declaration

In the opinion of the Directors of Antares Capital Partners Limited, the Responsible Entity of the Scheme:

The financial statements and notes set out on pages 5 to 16, are in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the financial position of the Scheme as at 30 June 2016 and of its performance for the year ended on that date;
- (b) complying with Accounting Standards and Corporations Regulations 2001;
- (c) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable; and
- (d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

This declaration is made in accordance with a resolution of the Directors.

Director: P. Guyke.

Signature: P. G. L.

Dated at Sydney this 22nd day of September 2016

Independent auditor's report to the unitholders of the Antares Cash Fund:

We have audited the accompanying financial report of the Antares Cash Fund (the 'Scheme'), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is attached to the directors' report.



Auditor's Opinion

In our opinion:

1. the financial report of the Scheme is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the Scheme as at 30 June 2016 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Rita Da Silva'.

Rita Da Silva
Partner
Sydney
22 September 2016

