

Neuberger Berman Absolute Return Multi Strategy Trust

ARSN 169 679 832

Annual report

For the year ended 30 June 2018

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For the year ended 30 June 2018

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This financial report covers the Neuberger Berman Absolute Return Multi Strategy Trust as an individual entity.

The Responsible Entity of the Neuberger Berman Absolute Return Multi Strategy Trust is EQT Responsible Entity Services Ltd. (ABN 94 101 103 011) (AFSL 223271)

The Responsible Entity's registered office is:
Level 1, 575 Bourke Street,
Melbourne, VIC 3000.

Directors' report

The directors of EQT Responsible Entity Services Ltd, the Responsible Entity of the Neuberger Berman Absolute Return Multi Strategy Trust (the "Trust"), present their report together with the financial statements of the Trust for the year ended 30 June 2018.

Principal activities

The Trust invests in Neuberger Berman Investment Funds plc - Neuberger Berman Absolute Return Multi Strategy Fund (the "ARMS Fund") and generates returns through the ARMS Fund's exposure to alternative investment strategies managed by high-quality investment managers.

The Trust did not have any employees during the year.

There were no significant changes in the nature of the Trust's activities during the year.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	EQT Responsible Entity Services Ltd*
Investment Manager	Neuberger Berman Australia Pty Ltd
Sub-Investment Manager	Neuberger Berman Group LLC
Custodian and Administrator	State Street Australia Limited
Statutory Auditor	Ernst & Young

* On 29 March 2018, Equity Holdings Limited acquired OneVue RE Services Limited, the Responsible Entity of the Trust. On 3 April 2018, OneVue RE Services Limited changed its name to EQT Responsible Entity Services Ltd.

Directors

The following persons held office as directors of OneVue RE Services Limited from 1 July 2017 to 29 March 2018:

Nigel Cameron Stokes
Karen Nita Gibson
Vincent Leo Plant
Alexander Wise

The following persons held directors of the EQT Responsible Entity Services Ltd from 29 March 2018 and up to the date of this report:

Philip D Gentry Chairman
Harvey H Kalman
Travis R. Goudie

Review and results of operations

During the year, the Trust continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Trust's Constitution.

The Trust's performance was 1.45% (net of fees) for the year ended 30 June 2018.

Directors' report (continued)

Review and results of operations (continued)

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

	Year ended	
	30 June 2018	30 June 2017
Operating profit/(loss) for the year (\$'000)	307	1,106

There were no distributions declared for the year ended 30 June 2018 and 30 June 2017.

Significant changes in the state of affairs

On 29 March 2018, Equity Holdings Limited acquired OneVue RE Services Limited, the Responsible Entity of the Trust. On 3 April 2018, OneVue RE Services Limited changed its name to EQT Responsible Entity Services Ltd.

The Trust has amended its Constitution to change the obligation to distribute trust income to unit holders as part of a process to become eligible to elect into the new Attribution Managed Investment Trust ("AMIT") tax regime.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Trust that occurred during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may have a significant effect on:

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

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Trust's Constitution.

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

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the former and current officers of EQT Responsible Entity Services Ltd or the auditors of the Trust. So long as the officers of EQT Responsible Entity Services Ltd act in accordance with the Trust's Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

Indemnification of auditor

The Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Trust against a liability incurred as auditor.

Directors' report (continued)

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

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in Note 14 to the financial statements.

No fees were paid out of Trust property to the directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 14 to the financial statements.

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in Note 8 to the financial statements.

The value of the Trust's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors of EQT Responsible Entity Services Ltd through a delegated authority given by the EQT Responsible Entity Services Ltd's Board.



Philip D Gentry
Chairman

Melbourne
13 September 2018

Auditor's Independence Declaration to the unitholders of Neuberger Berman Absolute Return Multi Strategy Trust

As lead auditor for the audit of Neuberger Berman Absolute Return Multi Strategy Trust for the financial year ended 30 June 2018, 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



Rohit Khanna
Partner
Sydney
13 September 2018

Statement of comprehensive income

		Year ended	
		30 June 2018	30 June 2017
	Note	\$'000	\$'000
Investment income			
Distribution income		127	107
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	405	1,242
Total investment income/(loss)		<u>532</u>	<u>1,349</u>
Expenses			
Management fees	14	222	218
Custody fees		<u>3</u>	<u>25</u>
Total operating expenses		<u>225</u>	<u>243</u>
Operating profit/(loss) for the year		<u>307</u>	<u>1,106</u>
Finance costs attributable to unit holders			
Distribution to unit holders		-	-
(Increase)/decrease in net assets attributable to unit holders*	8	<u>(307)</u>	<u>(1,106)</u>
Profit/(loss) for the year		<u>-</u>	<u>-</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>-</u>	<u>-</u>

* Net assets attributable to unit holders are reclassified from liabilities to equity as at 30 June 2018. Refer to Note 1 and Note 8 for further detail.

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

Statement of financial position

		As at	
	Note	30 June 2018 \$'000	30 June 2017 \$'000
Assets			
Cash and cash equivalents	9	99	204
Due from brokers - receivable for securities sold		58	9
Receivables	11	52	99
Financial assets held at fair value through profit or loss	6	<u>20,208</u>	<u>20,280</u>
Total assets		<u>20,417</u>	<u>20,592</u>
Liabilities			
Due to brokers - payable for securities purchased		1	-
Payables	12	<u>115</u>	<u>48</u>
Total liabilities (30 June 2017: excluding net assets attributable to unit holders)		<u>116</u>	<u>48</u>
Net assets attributable to unit holders - liability*	8	<u>-</u>	<u>20,544</u>
Net assets attributable to unit holders - equity*	8	<u>20,301</u>	<u>-</u>

* Net assets attributable to unit holders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to Note 1 for further detail.

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

Statement of changes in equity

	Note	Year ended	
		30 June 2018 \$'000	30 June 2017 \$'000
Total equity at the beginning of the financial year		-	-
Total comprehensive income for the year		-	-
Transactions with owners in their capacity as owners		-	-
Reclassification due to AMIT regime implementation*		<u>20,301</u>	<u>-</u>
Total equity at the end of the financial year*	8	<u>20,301</u>	<u>-</u>

*As at 30 June 2018, the Trust's units have been reclassified from financial liability to equity. Refer to Note 1 and Note 8 for further detail.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

		Year ended	
		30 June 2018	30 June 2017
	Note	\$'000	\$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		2,036	2,590
Purchase of financial instruments held at fair value through profit or loss		(1,607)	(1,714)
Distributions received		170	112
Other operating income received		4	-
Management costs paid		(184)	(234)
Custody fees paid		(3)	(25)
Other operating expenses paid		-	(6)
Net cash inflow/(outflow) from operating activities	10(a)	<u>416</u>	<u>723</u>
Cash flows from financing activities			
Proceeds from applications by unit holders		1,871	2,352
Payments for redemptions by unit holders		<u>(2,392)</u>	<u>(2,882)</u>
Net cash inflow/(outflow) from financing activities		<u>(521)</u>	<u>(530)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(105)</u>	<u>193</u>
Cash and cash equivalents at the beginning of the year		<u>204</u>	<u>11</u>
Cash and cash equivalents at the end of the year	9	<u>99</u>	<u>204</u>

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

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1 General information

These financial statements cover the Neuberger Berman Absolute Return Multi Strategy Trust (the "Trust") as an individual entity. The Trust is an Australian registered managed investment scheme which was constituted on 1 June 2014 and will terminate in accordance with the Trust's Constitution or by Law.

The Responsible Entity of the Trust is EQT Responsible Entity Services Ltd (ABN 94 101 103 011) (AFSL 223271) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. These financial statements are presented in the Australian currency unless otherwise noted.

The Trust invests in Neuberger Berman Investment Funds plc - Neuberger Berman Absolute Return Multi Strategy Fund (the "ARMS Fund") and generates returns through the ARMS Fund's exposure to alternative investment strategies managed by high-quality investment managers.

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to allow the Trust to elect into the AMIT tax regime, the Trust's Constitution has been amended and the other conditions to adopt the AMIT tax regime have been met effective 30 June 2018. The Responsible Entity is therefore no longer contractually obligated to pay distributions. Consequently the units in the Trust have been reclassified from a financial liability to equity on 30 June 2018, see Note 8 for further information.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

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

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

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

The financial statements of the Trust also comply with IFRS as issued by the International Accounting Standards Board (IASB).

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(iii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Trust. The directors' assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations is set out below:

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

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition, classification and measurement of the Funds' financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Funds do not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Trust's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Trust.

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

AASB 15 will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

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

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

(b) Financial instruments

(i) Classification

The Trust's investments are categorised as at fair value through profit or loss. They comprise of:

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These are investments in unit trusts.

Financial instruments designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Investment Manager to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

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

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Recognition/derecognition (continued)

Financial assets are derecognised when the right to receive cash flows from the investments has expired or the Trust has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

(iii) Measurement

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

At initial recognition, the Trust measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

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

For investments in unit trust, fair value is determined based on the redemption value per unit as reported by the investment managers of such funds.

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

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Trust currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

At the end of the reporting period, there are no financial assets or liabilities offset or which could be offset in the statement of financial position.

(c) Net assets attributable to unit holders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

The units can be put back to the Trust at any time for cash based on the redemption price.

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

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

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Trust's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Trust, and it is not a contract settled in the Trust's own equity instruments; and

2 Summary of significant accounting policies (continued)

(c) Net assets attributable to unit holders (continued)

- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

As at 30 June 2017, net assets attributable to unit holders are classified as a financial liability. Effective from 1 July 2017, the Trust's units have been reclassified from financial liability to equity as they satisfied all the above criteria.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are classified as liabilities in the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Trust's main income generating activity.

(e) Investment income

(i) Interest income

Interest income on cash and cash equivalents is recognised in the statement of comprehensive income on an accrual basis. Changes in fair value of financial instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

(ii) Trust distributions

Trust distributions are recognised on an entitlements basis.

(f) Expenses

All expenses are recognised in the statement of comprehensive income on an accrual basis.

(g) Income tax

Under current legislation, the Trust is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

(h) Distributions

The Trust may distribute its distributable income, in accordance with the Trust's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unit holders.

(i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. Where the Trust's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

2 Summary of significant accounting policies (continued)

(j) Foreign currency translation

(i) Functional and presentation currency

Balances included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar which reflects the currency of the economy in which the Trust compete for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Trust do not isolate that portion of unrealised gains or losses on financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates. Such fluctuations are included with the net gains/(losses) on financial instruments at fair value through profit or loss.

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Trust will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(l) Receivables

Receivables may include amounts for trust distributions, applications and interest. Trust distributions and applications are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

Collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(m) Payables

Payables include liabilities and accrued expenses owed by the Trust and any distributions declared which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

(n) Applications and redemptions

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

2 Summary of significant accounting policies (continued)

(o) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties such as management, administration and custodian services where applicable have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(p) Use of estimates

The Trust may make estimates and assumptions that affect the reported amounts of assets and liabilities within the current year and next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(q) Rounding of amounts

The Trust is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

(r) Comparative revisions

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

3 Financial risk management

The Trust's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk, counterparty risk and liquidity risk.

The Trust's overall risk management programme focuses on ensuring compliance with the Trust's Constitution, the Product Disclosure Statement and the investment guidelines of the Trust. It also seeks to maximise the returns derived for the level of risk to which the Trust is exposed and seeks to minimise potential adverse effects on the Trust's financial performance.

The investments of the Trust, and associated risks, are managed by the Investment Manager under an Investment Management Agreement (IMA) approved by the Responsible Entity, and containing the investment strategy and guidelines of the Trust, consistent with those stated in the Product Disclosure Statement.

The Trust is 100% invested in the ARMS Fund. The ARMS Fund is managed by Neuberger Berman and aims to achieve an attractive level of total return from a diversified portfolio of investment strategies. The ARMS Fund will seek to achieve this objective by investing its assets to multiple third-party discretionary investment managers that employ a variety of investment strategies, including long short, macro, event driven and credit arbitrage.

The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of market price risk, and rating analysis for credit rating.

3 Financial risk management (continued)

(a) Market risk

(i) Price risk

The Trust is exposed to price risk of the ARMS Fund at 30 June 2018 which arises from investments held by the ARMS Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

The table at Note 3(b) summarises the sensitivity of the Trust's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Trust invests move by +/-10% (2017: +/- 10%).

The ARMS Fund is permitted to use certain types of derivative instrument (including certain complex instruments) to obtain or increase exposure to its underlying assets, or to achieve 'short' positions where the ARMS Fund may benefit from a fall in the value of an underlying asset, or to seek to protect its assets against some of the risks outlined in this section. This may increase the ARMS Fund's leverage significantly. Leverage is an investment technique which gives an investor a larger exposure to an asset than the amount it invested, which can cause large variations (both positive and negative) in the value of the Trust's shares.

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

The Trust does not have any significant direct exposures to foreign exchange risk based on the Trust's direct investment in the ARMS Fund, which issue units denominated in Australian dollars. However, underlying managers of the ARMS Fund may take currency active exposure which are unhedged and expose the ARMS Fund to currency volatility.

(iii) Interest rate risk

The Trust's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial positions and cash flows.

The majority of the Trust's financial assets and liabilities are non-interest bearing. As a result, the directors do not expect the interest rate risk to have a significant impact on net assets attributable to unit holders and operating profit of the Trust. Any excess cash and cash equivalents are invested at short term market interest rates.

The large portion of the ARMS Fund's financial assets and liabilities are non-interest bearing but could increase over time. As a result, the impact of interest rate risk on net assets attributable to unit holders and operating profit is considered currently low but could change to the ARMS Fund. Any excess cash and cash equivalents are invested at short term market interest rates.

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The table below summarises the Trust's direct exposure to interest rate risks.

At 30 June 2018	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Assets				
Cash and cash equivalents	99	-	-	99
Receivables	-	-	52	52
Due from brokers - receivable for securities sold	-	-	58	58
Financial assets held at fair value through profit or loss	-	-	20,208	20,208
Total assets	99	-	20,318	20,417
Liabilities				
Payables	-	-	115	115
Due to brokers - payable for securities purchased	-	-	1	1
Total liabilities	-	-	116	116
Net exposure	99	-	20,202	20,301

At 30 June 2017	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Assets				
Cash and cash equivalents	204	-	-	204
Receivables	-	-	99	99
Due from brokers - receivable for securities sold	-	-	9	9
Financial assets held at fair value through profit or loss	-	-	20,280	20,280
Total assets	204	-	20,388	20,592
Liabilities				
Payables	-	-	48	48
Total liabilities (excluding net assets attributable to unit holders)	-	-	48	48
Net exposure	204	-	20,340	20,544

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Trust's operating profit and net assets attributable to unit holders to the various market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical correlation of the Trust's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be

3 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Trust invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Price risk Impact on operating profit/net assets attributable to unit holders	
	-10% \$'000	+10% \$'000
As at 30 June 2018	(2,021)	2,021
As at 30 June 2017	(2,028)	2,028

(c) Credit risk

The ARMS Fund can utilise strategies involving the credit or debt markets. Credit markets are accessed to provide diversification from exposure to stock markets (or equities). As these credit strategies (such as bonds or loans) depend on the ability of borrowers to repay their debts, any downgrade or default affecting any of the underlying investment funds' securities could result in the ARMS Fund losses.

(d) Counterparty risk

The risk that a counterparty will not fulfill its payment obligation for a trade, contract or other transaction, on the due date. The insolvency of any institution providing services such as the safekeeping of assets or acting as counterparty in respect of derivatives or other instruments may expose the Trust and the ARMS Fund to financial loss.

(e) Liquidity risk

Liquidity risk is the risk that the Trust may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Exposure to liquidity risk for the Trust may arise from the requirement to meet daily unit holder redemption requests.

The Trust manages liquidity risk by investing the majority of its assets in investments that can be readily disposed of.

In order to manage the Trust's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Trust did not reject or withhold any redemptions during the reporting period (2017: Nil).

For the ARMS Fund, it is the risk that it may be unable to sell an investment readily at its fair market value. This may affect the value of the ARMS Fund and in extreme market conditions its ability to meet redemption requests upon demand. To counter this risk the ARMS Fund actively monitors the liquidity of its investments. The ARMS Fund may invest globally and in asset classes which may have lower liquidity such as less developed economies, smaller cap or OTC derivatives.

(i) Maturities of non-derivative financial liabilities

The table below analyses the Trust's non-derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year end date. The amounts in the table are contractual undiscounted cash flows.

3 Financial risk management (continued)

(e) Liquidity risk (continued)

	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
As at 30 June 2018					
Payables	115	-	-	-	115
Due to brokers - payable for securities purchased	1	-	-	-	1
Contractual cash flows (excluding net settled derivatives)	116	-	-	-	116
	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
As at 30 June 2017					
Payables	48	-	-	-	48
Net assets attributable to unit holders	20,544	-	-	-	20,544
Contractual cash flows (excluding net settled derivatives)	20,592	-	-	-	20,592

4 Fair value measurement

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

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

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

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements.

(a) Fair value in an inactive or unquoted market (level 2)

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

Investments in the unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as: liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

4 Fair value measurement (continued)

(b) Recognised fair value measurements

The table below presents the Trust's financial assets measured at fair value according to the fair value hierarchy at 30 June 2018 and 30 June 2017.

As at 30 June 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Financial assets designated at fair value through profit or loss				
Unit trusts	-	20,208	-	20,208
Total financial assets	-	20,208	-	20,208

As at 30 June 2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Financial assets designated at fair value through profit or loss				
Unit trusts	-	20,280	-	20,280
Total financial assets	-	20,280	-	20,280

(c) Transfers between levels

Management'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 the levels in the fair value hierarchy for securities held at the end of the reporting period.

(d) Financial instruments not carried at fair value

The carrying value of receivables and payables are assumed to approximate their fair values.

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

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

	Year ended	
	30 June 2018 \$'000	30 June 2017 \$'000
Financial assets		
Net gain/(loss) on financial assets designated as at fair value through profit or loss	405	1,242
Net gains/(losses) on financial assets held at fair value through profit or loss	405	1,242
Total net gains/(losses) on financial instruments held at fair value through profit or loss	405	1,242

6 Financial assets held at fair value through profit or loss

	As at	
	30 June 2018 \$'000	30 June 2017 \$'000
Designated at fair value through profit or loss		
Unit trusts	<u>20,208</u>	<u>20,280</u>
Total designated at fair value through profit or loss	<u>20,208</u>	<u>20,280</u>
Total financial assets held at fair value through profit or loss	<u>20,208</u>	<u>20,280</u>

7 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

The Trust considers all investments in managed investment schemes (the "Schemes") to be structured entities. The Trust invests in Schemes for the purpose of capital appreciation and or earning investment income.

The exposure to investments in related Schemes at fair value, and any related amounts recognised in the statement of comprehensive income is disclosed at Note 14 to the financial statements.

The exposure to investments in unrelated investment funds are disclosed in the following table:

	Fair value of investments	
	30 June 2018 \$'000	30 June 2017 \$'000
Neuberger Berman Investment Funds plc - Neuberger Berman Absolute Return Multi Strategy Fund - AUD Z Distributing Class	20,208	20,280
Total unrelated Schemes	20,208	20,280

The fair value of the Schemes is included in financial assets held at fair value through profit or loss in the statement of financial position.

The Trust's maximum exposure to loss from its interest in the Schemes is equal to the fair value of its investments in the Schemes as there are no off-balance sheet exposures relating to any of the Schemes. Once the Trust has disposed of its units in a Scheme it ceases to be exposed to any risk from that Scheme.

During the year ended 30 June 2018, total gains/(losses) incurred on investments in the Schemes were \$85,204. The Trust also earned distribution income of \$126,417 as a result of its interests in the Schemes.

8 Net assets attributable to unit holders

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

8 Net assets attributable to unit holders (continued)

Prior to 30 June 2018 the Trust classified their net assets attributable to unit holders as liabilities in accordance with AASB 132. On 30 June 2018, the Trust has elected into the AMIT tax regime. The Trust's Constitution has been amended on the same date and it no longer has a contractual obligation to pay distributions to unit holders. Therefore the net assets attributable to unit holders of the Trust meet the criteria set out under AASB 132 and are classified as equity as at 30 June 2018.

As a result of the reclassification of net assets attributable to unit holders from liabilities to equity, the Trust's distributions are no longer classified as finance cost in the statement of comprehensive income, but rather as dividends paid in the statement of changes in equity.

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

	Year ended			
	30 June 2018	30 June 2018	30 June 2017	30 June 2017
	No.'000	\$'000	No.'000	\$'000
Opening balance	20,445	20,544	20,923	19,929
Applications	1,850	1,871	2,394	2,352
Redemptions	(2,382)	(2,421)	(2,872)	(2,843)
Increase/(decrease) in net assets attributable to unit holders	-	307	-	1,106
Closing balance	19,913	20,301	20,445	20,544

Net assets attributable to unit holders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to Note 1 for further details.

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

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

Daily applications and redemptions are reviewed relative to the liquidity of the Trust's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Trust's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

Capital risk management

The Trust considers its net assets attributable to unit holders as capital, notwithstanding net assets attributable to unit holders are classified as a liability until 30 June 2017. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Trust is subject to daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Trust's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Trust's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unit holders.

9 Cash and cash equivalents

	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Cash at bank	99	204
	<u>99</u>	<u>204</u>

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

	Year ended	
	30 June 2018	30 June 2017
	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unit holders	307	1,106
Proceeds from sale of financial instruments held at fair value through profit or loss	2,036	2,590
Purchase of financial instruments held at fair value through profit or loss	(1,607)	(1,714)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(405)	(1,242)
Net change in receivables	47	(1)
Net change in payables	38	(16)
Net cash inflow/(outflow) from operating activities	<u>416</u>	<u>723</u>

11 Receivables

	As at	
	30 June 2018	30 June 2017
	\$'000	\$'000
Distributions receivable	46	89
GST receivable	6	10
Total receivables	<u>52</u>	<u>99</u>

12 Payables

	As at	
	30 June 2018 \$'000	30 June 2017 \$'000
Redemptions payable	63	34
Management fees payable	52	14
Total payables	115	48

13 Remuneration of auditor

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

	Year ended	
	30 June 2018 \$	30 June 2017 \$
Ernst & Young		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	15,245	14,120
Audit of compliance plan	1,731	1,730
Total remuneration for audit and other assurance services	16,976	15,850
<i>Taxation services</i>		
Tax compliance services	7,100	7,100
Total remuneration for taxation services	7,100	7,100
Total remuneration of Ernst & Young	24,076	22,950

The auditor's remuneration is borne by the Investment Manager. Fees are stated exclusive of GST.

14 Related party transactions

Responsible Entity

The Responsible Entity of Neuberger Berman Absolute Return Multi Strategy Trust is EQT Responsible Entity Services Ltd (ABN 94 101 103 011) (AFSL 223271). Accordingly, transactions with entities related to EQT Responsible Entity Services Ltd and the former Responsible Entity OneVue RE Services Limited are disclosed below.

On 29 March 2018, Equity Holdings Limited acquired OneVue RE Services Limited, the Responsible Entity of the Trust. On 3 April 2018, OneVue RE Services Limited changed its name to EQT Responsible Entity Services Ltd.

The Responsible Entity has contracted services to Neuberger Berman Australia Pty Ltd to act as Investment Manager for the Trust, and State Street Australia Limited to act as Custodian and Administrator for the Trust. The contracts are on normal commercial terms and conditions.

14 Related party transactions (continued)

(a) Key management personnel

(i) Directors

Key management personnel include persons who were directors of EQT Responsible Entity Services Ltd at any time during or since the end of the financial year and up to the date of this report.

The following persons held office as directors of OneVue RE Services Limited from 1 July 2017 to 29 March 2018.

Nigel Cameron Stokes
Karen Nita Gibson
Vincent Leo Plant
Alexander Wise

The following persons held directors of the EQT Responsible Entity Services Ltd from 29 March 2018 and up to the date of this report:

Philip D Gentry	Chairman
Harvey H Kalman	
Travis R. Goudie	

(ii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Trust, directly or indirectly during the year (2017:Nil).

(b) Key management personnel unit holdings

Key management personnel did not hold units in the Trust as at 30 June 2018 (30 June 2017: Nil).

(c) Key management personnel compensation

Key management personnel were paid by OneVue RE Services Limited up until 29 March 2018. From 29 March 2018, key management personnel are paid by EQT Services Pty Ltd. Payments made from the Trust to EQT Responsible Entity Services Ltd do not include any amounts attributable to the compensation of key management personnel.

(d) Key management personnel loan disclosures

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

(e) Other transactions within the Trust

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Trust during the reporting year and there were no material contracts involving directors' interests existing at year end.

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

Under the terms of the Trust's Constitution, the Responsible Entity and the Investment Manager are entitled to receive management fees.

14 Related party transactions (continued)

(f) Responsible Entity and Investment Manager's fees and other transactions (continued)

The transactions during the year and amounts payable at year end between the Trust, the Responsible Entity and the Investment Manager were as follows:

	30 June 2018	30 June 2017
	\$	\$
Investment management fees for the year	221,878	218,128
Total fees payable to the Investment Manager at year end	52,152	13,673

The management costs for the year included Responsible Entity fees of \$75,000 (2017: \$75,000), Investment Manager fees of \$Nil (2017: Nil) and other costs of \$146,878 (2017: \$167,781).

The Investment Manager, Neuberger Berman Australia Pty Ltd, charges management costs of 1.05% per annum. The management costs are charged primarily for managing the assets of the Trust, but also cover usual expenses associated with the Trust including establishment, promotion, licensing, responsible entity fees, custodian, registry, audit, taxation advice, external consultants, accounts, stationery, postage, compliance and compliance committee costs, fund accounting and operations costs, insurance costs and regulatory expenses, as well as any GST impact on these services.

It does not include investment expenses such as brokers, legal or due diligence costs for any particular investment, investment transaction costs or unusual expenses such as investor meetings, dispute management, platform listing costs, change of responsible entity or termination of the Trust, as well as any GST impact on these services, which if they arise may be recovered from the Trust.

For information on how management and performance fees are calculated please refer to the Fund's Product Disclosure Statement.

(g) Related party unit holdings

Parties related to the Trust (including EQT Responsible Entity Services Ltd, its related parties and other schemes managed by EQT Responsible Entity Services Ltd) held units in the Trust, as follows:

As at 30 June 2018

Unit holder	Number of units held opening	Number of units held closing	Fair value of investment (\$)	Interest held (%)	Number of units acquired	Number of units disposed	Distributions paid/payable by the Trust (\$)
EQT Responsible Entity Services Ltd	238	238	242.52	.001	-	-	-

14 Related party transactions (continued)

(g) Related party unit holdings (continued)

As at 30 June 2017

Unit holder	Number of units held opening	Number of units held closing	Fair value of investment (\$)	Interest held (%)	Number of units acquired	Number of units disposed	Distributions paid/payable by the Trust (\$)
EQT Responsible Entity Services Ltd	238	238	239.05	0.001	-	-	-

(h) Investments

The Trust did not hold any investments in EQT Responsible Entity Services Ltd or its related parties during the year (2017:Nil).

15 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the statement of financial position as at 30 June 2018 or on the results and cash flows of the Trust for the year ended on that date.

16 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2018 and 30 June 2017.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 6 to 28 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Trust's financial position as at 30 June 2018 and of its performance for the year ended on that date;
- (b) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of EQT Responsible Entity Services Ltd through a delegated authority given by the EQT Responsible Entity Services Ltd's Board.



Philip D Gentry
Chairman

Melbourne
13 September 2018

Independent Auditor's Report to the unitholders of Neuberger Berman Absolute Return Multi Strategy Trust

Opinion

We have audited the financial report of Neuberger Berman Absolute Return Multi Strategy Trust (the "Trust"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Trust's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

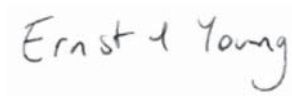
Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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



Ernst & Young



Rohit Khanna
Partner
Sydney
13 September 2018