

Ranger Global Income & Growth Fund

ARSN 606 550 869

Annual report

For the year ended 30 June 2017

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Independent auditor's report to the unit holders of Ranger Global Income & Growth Fund

This annual report covers Ranger Global Income & Growth Fund as an individual entity.

The Responsible Entity of Ranger Global Income & Growth Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

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

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of Ranger Global Income & Growth Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2017.

Principal activities

The Fund invests in a variety of income-producing securities, primarily equities which provide current income combined with the potential for capital appreciation in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

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

The various service providers of the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Ranger International Management, LP
Custodian and Administrator	Link Fund Solutions Pty Limited (formerly White Outsourcing Pty Limited)
Statutory Auditor	KPMG

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the year and up to the date of this report:

Philip D Gentry (Chairman)
Harvey H Kalman
Martin G Walsh (resigned 9 June 2017)
Geoffory R Rimmer (resigned 4 October 2016)
Ian C Westley (appointed 12 December 2016)

Review and results of operations

During the year, the Fund invested its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 4.99% (net of fees) for the year ended 30 June 2017. The Fund's benchmark, the MSCI ACWI (All Country World Index) returned 15.93% for the same period.

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

	Year ended 30 June 2017	For the period 26 June 2015 to 30 June 2016
Operating profit/(loss) before finance costs attributable to unit holders (\$'000)	1,505	260
Distributions paid and payable (\$'000)	626	356
Distributions (cents per unit)	2.8201	1.9179

Significant changes in state of affairs

Geoffory R Rimmer resigned as a director of Equity Trustees Limited on 4 October 2016.

Ian C Westley was appointed as a director of Equity Trustees Limited on 12 December 2016.

Martin G Walsh resigned as a director of Equity Trustees Limited on 9 June 2017.

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may have a significant effect on:

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

Likely developments and expected results of operations

The Fund 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 Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund 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 Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

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

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

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

The number of interests in the Fund 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 Fund

The movement in units on issue in the Fund during the year is disclosed in Note 7 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in 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 Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

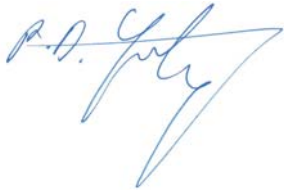
Rounding of amounts to the nearest thousand dollars

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 Equity Trustees Limited.



Philip D Gentry
Chairman

Melbourne
31 August 2017



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

To the Directors of Ranger Global Income & Growth Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of Ranger Global Income & Growth Fund for the financial year ended 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

AR

Andrew Reeves
Partner

Sydney
31 August 2017

Ranger Global Income & Growth Fund
Statement of comprehensive income
For the year ended 30 June 2017

Statement of comprehensive income

		Year ended 30 June 2017 \$'000	For the period 26 June 2015 to 30 June 2016 \$'000
	Note		
Investment income			
Interest income		12	10
Dividend and distribution income		1,178	665
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	928	(8)
Expense reimbursement income	14	172	161
Net foreign exchange gain/(loss)		(152)	(145)
Total investment income/(loss)		2,138	683
Expenses			
Management fees	14	331	173
Administration fees		68	58
Custody fees		45	35
Transaction costs		37	33
Withholding taxes		120	81
Remuneration of auditor		31	28
Other expenses		1	15
Total expenses		633	423
Operating profit/(loss)		1,505	260
Finance costs attributable to unit holders			
Distributions to unit holders	8	(626)	(356)
(Increase)/decrease in net assets attributable to unit holders	7	(879)	96
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

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

Ranger Global Income & Growth Fund
Statement of financial position
As at 30 June 2017

Statement of financial position

		As at	
		30 June 2017	30 June 2016
	Note	\$'000	\$'000
Assets			
Cash and cash equivalents	9	328	1,122
Receivables	11	172	118
Due from brokers - receivable for securities sold		726	-
Financial assets held at fair value through profit or loss	6	11,094	21,047
Total assets		<u>12,320</u>	<u>22,287</u>
Liabilities			
Distributions payable	8	115	131
Payables	12	99	198
Due to brokers - payable for securities purchased		23	-
Total liabilities (excluding net assets attributable to unit holders)		<u>237</u>	<u>329</u>
Net assets attributable to unit holders - liability	7	<u>12,083</u>	<u>21,958</u>

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

Ranger Global Income & Growth Fund
Statement of changes in equity
For the year ended 30 June 2017

Statement of changes in equity

	Year ended 30 June 2017 \$'000	For the period 26 June 2015 to 30 June 2016 \$'000
Total equity at the beginning of the year	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the year	-	-

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

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

Ranger Global Income & Growth Fund
Statement of cash flows
For the year ended 30 June 2017

Statement of cash flows

	Year ended 30 June 2017 \$'000	For the period 26 June 2015 to 30 June 2016 \$'000
Note		
Cash flows from operating activities		
Proceeds from sale of financial assets held at fair value through profit or loss	38,720	9,776
Purchase of financial assets held at fair value through profit or loss	(28,533)	(30,829)
Interest income received	12	9
Dividend and distribution income received	986	509
Expense reimbursement income received	181	123
Management fees paid	(333)	(134)
Administration and custody fees paid	(111)	(70)
Transaction costs paid	(37)	(33)
Other expenses paid	(31)	(13)
Net cash inflow/(outflow) from operating activities	10(a) 10,854	(20,662)
Cash flows from financing activities		
Proceeds from applications by unit holders	8,119	22,149
Payments for redemptions by unit holders	(19,007)	-
Distributions paid to unit holders	(608)	(220)
Net cash inflow/(outflow) from financing activities	(11,496)	21,929
Net increase/(decrease) in cash and cash equivalents	(642)	1,267
Cash and cash equivalents at the beginning of the year	1,122	-
Effects of foreign currency exchange rate changes on cash and cash equivalents	(152)	(145)
Cash and cash equivalents at the end of the year	9 328	1,122
Non-cash operating and financing activities	10(b) 43	7

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

Notes to the financial statements

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1 General information

These financial statements cover Ranger Global Income & Growth Fund ('the Fund') as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 16 June 2015 and will terminate on 15 June 2095, unless terminated earlier in accordance with the provisions of the Fund's Constitution.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the 'Responsible Entity'). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in a variety of income-producing securities, primarily equities which provide current income combined with the potential for capital appreciation in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

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 Fund is a for-profit entity 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 Fund 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 12 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 holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

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

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Fund

The amendments to AASB 107 *Statement of Cash Flows* have been early adopted. The Fund has elected to adopt the amendments made by AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107* early. This amendment requires disclosure of changes in liabilities arising from financing activities. The relevant information is provided in Note 7.

There are no other new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2016 that have a material impact on the Fund.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(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 2017 reporting period and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) 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 Fund's 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 Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Fund. The Fund has not yet decided when to adopt AASB 9.

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

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

(b) Financial instruments

(i) *Classification*

The Fund's investments are classified as held at fair value through profit or loss. They comprise:

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

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded equity instruments.

Financial assets and liabilities designated at fair value through profit or loss at inception are those managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy as outlined in the Product Disclosure Statement. The Fund'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 and derecognition*

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

At initial recognition, the Fund measures financial assets 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 liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

For further details on how the fair value of financial instruments is determined, please see Note 4 to the financial statements.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund 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.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to 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 are classified as financial liabilities as the Fund is required to distribute its distributable income in accordance with the Fund's Constitution.

The units can be put back to the Fund 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 Fund.

(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 and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

(e) Investment income

Interest income on cash and cash equivalents is recognised in the statement of comprehensive income on an accruals basis.

Changes in fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an offset to dividend income. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Trust distributions are recognised on an entitlement basis.

(f) Expenses

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

2 Summary of significant accounting policies (continued)

(g) Income tax

Under current legislation, the Fund is not subject to income tax as unit holders are presently entitled to the income of the Fund.

The benefits of any imputation credits and foreign tax paid are passed on to unit holders.

(h) Distributions

The Fund distributes its distributable income quarterly, in accordance with the Fund'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. Movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

(j) Foreign currency translation

(i) Functional and presentation currency

Balances included in the Fund'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 Fund competes for funds and is regulated. The Australian dollar is also the Fund'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 Fund does 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 year end. Trades are recorded on trade date, and normally settled within two business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund 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 into bankruptcy or financial reorganisation and default in payments.

(l) Receivables

Receivables may include amounts for interest, dividends and partnership distributions. Dividends and partnership distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. 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.

2 Summary of significant accounting policies (continued)

(m) Payables

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the statement of financial position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

The Fund distributes any income quarterly at the end of each calendar quarter.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

(n) Applications and redemptions

Unit application and redemption prices are determined by reference to the net assets of the Fund divided by the number of units on issue, adjusted for buy/sell spreads where applicable.

(o) Goods and Services Tax (GST)

The investment portfolio composition is mostly offshore investments. As the Investment Manager is offshore domiciled, the investment management fee will be exclusive of GST. All other expenses will incur GST at 10% but will be entitled to a reduced input tax credit of at least 55%. Expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts 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 Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available.

For more information on how fair value is calculated please refer to Note 4 to the financial statements.

(q) Rounding of amounts

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

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity is limited to the fair value of those positions.

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

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

(a) Market risk

(i) Price risk

The Fund is exposed to price risk on equity securities listed or quoted on a recognised securities exchange. Price risk arises from investments held by the 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.

Price risk is managed by adhering to the following investment restrictions:

- Under normal conditions, no more than 10% of the Fund's market value will be held in cash and cash equivalents. The Fund may be fully invested in cash and cash equivalents for temporary defensive purposes.
- It is intended that the Fund will be diversified by owning the stock of 40-50 companies;
- It is intended that the Fund will not hold more than 8% of market value of the portfolio in any one position;
- It is intended that the Fund will not hold any portfolio position that exceeds 10% of the equity of any single company;
- It is intended that the Fund will not hold more than 10% of the market value of the portfolio in American Depositary Receipts (ADRs);
- It is intended that sector exposure is residual of the bottom-up research process; typically limited to 30% of the portfolio; and
- Short sales or purchases of stock on margin are prohibited.

The table at Note 3(b) summarises the sensitivity of the Fund's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Fund invests move by +/-10% (2016: +/-10%).

(ii) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities 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 a variance in exchange rates from the date the item was recorded versus the rate at the end of the relevant accounting period. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Foreign exchange risk is managed by minimising the time foreign currency balances are carried. When foreign equity trades are made, foreign currency transactions are entered into for delivery on the settlement date. From time to time, small balances may arise due to dividend payments or other distributions made by investee companies. The Investment Manager makes every effort to minimise these balances and convert them to Australian dollars as soon as possible.

The following table summarises the Fund's assets and liabilities, monetary and non-monetary, which are denominated in currencies other than the Australian dollar. The Fund does not have a material sensitivity to foreign exchange risk relating to monetary assets.

As at 30 June 2017	US Dollar A\$'000	Canadian Dollar A\$'000	Singapore Dollar A\$'000	Euro A\$'000	Other currencies A\$'000
Receivables	40	11	-	6	10
Due from brokers - receivable for securities sold	613	-	-	-	113
Financial assets held at fair value through profit or loss	5,176	479	836	1,543	2,329
Due to brokers - payables for securities sold	(23)	-	-	-	-
Net exposure	5,806	490	836	1,549	2,452
As at 30 June 2016					
Receivables	57	5	-	-	3
Financial assets held at fair value through profit or loss	14,021	896	1,130	493	3,694
Net exposure	14,078	901	1,130	493	3,697

(iii) Interest rate risk

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Fund to interest rate risk.

3 Financial risk management (continued)

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit/(loss) and net assets attributable to unit holders to 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 levels of changes in foreign exchange rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on operating profit/(loss)/net assets attributable to unit holders							
	Price risk				Foreign exchange risk			
	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%
	\$'000	\$'000	USD \$'000	USD \$'000	CAD \$'000	CAD \$'000	SGD \$'000	SGD \$'000
As at 30 June 2017	(1,109)	1,109	(63)	63	(1)	1	-	-
As at 30 June 2016*	(2,105)	2,105	-	-	-	-	-	-

	Impact on operating profit/(loss)/net assets attributable to unit holders			
	Foreign exchange risk			
	-10%	+10%	-10%	+10%
	EUR \$'000	EUR \$'000	Others \$'000	Others \$'000
As at 30 June 2017	(1)	1	(12)	12
As at 30 June 2016*	-	-	-	-

* The Fund did not had a material sensitivity to foreign exchange risk relating to monetary assets during 2016.

(c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents and amounts due from brokers balances. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents and amounts due from brokers.

(i) Settlement of securities transactions

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

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A+ (as determined by Standard and Poor's) or higher.

3 Financial risk management (continued)

(c) Credit risk (continued)

(ii) Cash and cash equivalents (continued)

Under normal conditions, no more than 10% of the Fund's market value will be held in cash and cash equivalents.

(iii) Other

The Fund is not materially exposed to credit risk on other financial assets.

(d) Liquidity risk

Liquidity risk is the risk that the Fund 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 Fund may arise from the requirement to meet daily unit holders' redemption requests or to fund foreign exchange related cash flow requirements.

Generally, the Investment Manager invests in liquid securities and liquidity is monitored in real time. Liquidity risk is managed in accordance with the Fund's risk guidelines, the Investment Manager limits to 10% the percentage of the portfolio invested in positions that cannot be liquidated in less than 7 days without materially impacting the market price for the security. During the year, the Investment Manager had stayed well below this limit.

In order to manage the Fund's overall liquidity, 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. The Fund did not reject or withhold any redemptions during 2017 and 2016.

(i) Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current year have maturities of less than one month.

4 Fair value measurement

The Fund measures and recognises financial assets held at fair value through profit or loss on a recurring basis.

The Fund has no assets 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 measurement hierarchy:

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

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

(a) Fair value in an active market (level 1)

The fair value of financial assets traded in active markets (such as listed equity securities) is based on their quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price.

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

4 Fair value measurement (continued)

(a) Fair value in an active market (level 1) (continued)

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(b) Fair value in an inactive or unquoted market (level 2 and level 3)

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

(c) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2017 and 30 June 2016.

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:				
Australian listed equity securities	405	-	-	405
Australian listed trusts	331	-	-	331
International listed equity securities	7,957	-	-	7,957
International listed trusts	1,631	-	-	1,631
International listed partnerships	770	-	-	770
Total financial assets	11,094	-	-	11,094

As at 30 June 2016

Financial assets

Financial assets designated at fair value through profit or loss:

Australian listed equity securities	825	-	-	825
International listed equity securities	13,744	-	-	13,744
International listed trusts	3,939	-	-	3,939
International listed partnerships	2,539	-	-	2,539
Total financial assets	21,047	-	-	21,047

(d) 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 levels in the fair value hierarchy at the end of the reporting period.

(e) Financial instruments not carried at fair value

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

Net assets attributable to unit holders' carrying value does not differ from its fair value (deemed to be redemption price for individual units) due to no differences in valuation inputs.

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

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

	Year ended 30 June 2017 \$'000	For the period 26 June 2015 to 30 June 2016 \$'000
Financial assets		
Net gain/(loss) on financial assets designated as at fair value through profit or loss	928	(8)
Net gains/(losses) on financial assets held at fair value through profit or loss	928	(8)
Net realised gain/(loss) on financial assets held at fair value through profit or loss	1,117	(1,000)
Net unrealised gain/(loss) on financial assets held at fair value through profit or loss	(189)	992
Net gains/(losses) on financial assets held at fair value through profit or loss	928	(8)

6 Financial assets held at fair value through profit or loss

	30 June 2017 \$'000	As at 30 June 2016 \$'000
Designated at fair value through profit or loss		
Australian listed equity securities	405	825
Australian listed trusts	331	-
International listed equity securities	7,957	13,744
International listed trusts	1,631	3,939
International listed partnerships	770	2,539
Total designated at fair value through profit or loss	11,094	21,047
Total financial assets held at fair value through profit or loss	11,094	21,047

Ranger Global Income & Growth Fund
Notes to the financial statements
For the year ended 30 June 2017
(continued)

7 Net assets attributable to unit holders

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

	Year ended		For the period	
	30 June 2017 Units '000	30 June 2017 \$'000	26 June 2015 to 30 June 2016 Units '000	26 June 2015 to 30 June 2016 \$'000
Opening balance	22,874	21,958	-	-
Applications	8,487	8,219	22,868	22,049
Redemptions	(19,058)	(19,007)	-	-
Reinvestment of distributions	35	34	6	5
Increase/(decrease) in net assets attributable to unit holders	-	879	-	(96)
Closing balance	12,338	12,083	22,874	21,958

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

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

Units are redeemed on demand at the unit holder's 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 after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund 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 Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund'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.

8 Distributions to unit holders

The distributions declared during the year were as follows:

	Year ended		For the period	
	30 June 2017 \$'000	30 June 2017 CPU	26 June 2015 to 30 June 2016 \$'000	26 June 2015 to 30 June 2016 CPU
Distributions				
September	175	0.6751	-	-
December	139	0.4839	131	0.8320
March	197	0.7270	94	0.5111
June (payable)	115	0.9341	131	0.5748
Total distributions	626	2.8201	356	1.9179

Ranger Global Income & Growth Fund
Notes to the financial statements
For the year ended 30 June 2017
(continued)

9 Cash and cash equivalents

	As at	
	30 June	30 June
	2017	2016
	\$'000	\$'000
Cash at bank	328	1,122
Total cash and cash equivalents	328	1,122

These accounts are earning a floating interest rate of between 1.1% and 1.6% as at 30 June 2017 (30 June 2016: 0.00% and 1.65%).

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

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

	Year ended	For the period
	30 June	26 June 2015 to
	2017	30 June
	\$'000	\$'000
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unit holders	879	(96)
Distributions to unit holders	626	356
Proceeds from sale of financial instruments held at fair value through profit or loss	38,720	9,776
Purchase of financial instruments held at fair value through profit or loss	(28,533)	(30,829)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(928)	8
Effects of foreign currency exchange rate changes on cash and cash equivalents	152	145
Dividend and distribution income reinvested	(9)	(2)
Net change in receivables	(54)	(118)
Net change in payables	1	98
Net cash inflow/(outflow) from operating activities	10,854	(20,662)

(b) Non-cash operating and financing activities

The following purchase of investments were satisfied by the participation in dividend reinvestment plans	9	2
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	34	5
Total non-cash operating and financing activities	43	7

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost at it is not settled in cash until such time as it becomes distributable.

Ranger Global Income & Growth Fund
Notes to the financial statements
For the year ended 30 June 2017
(continued)

11 Receivables

	As at	
	30 June 2017	30 June 2016
	\$'000	\$'000
Interest receivable	1	1
Dividends and distributions receivable	65	56
GST receivable	7	6
Withholding tax receivable	70	17
Management fee reimbursement receivable	29	38
Total receivables	172	118

12 Payables

	As at	
	30 June 2017	30 June 2016
	\$'000	\$'000
Management fees payable	37	39
Applications pending	-	100
Audit fees payable	15	15
Other payables	47	44
Total payables	99	198

13 Remuneration of auditor

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

	Year ended 30 June 2017	For the period 26 June2015 to 30 June 2016
	\$	\$
KPMG		
<i>Audit and other assurance services</i>		
Audit of financial statements	10,000	10,000
Audit of compliance plan	3,750	3,750
Total remuneration for audit services	13,750	13,750
<i>Taxation services</i>		
Tax compliance services	17,109	14,306
Total remuneration for taxation services	17,109	14,306
Total remuneration of KPMG	30,859	28,056

The auditor's remuneration is borne by the Fund. Fees are stated net of GST.

14 Related party transactions

The Responsible Entity of Ranger Global Income & Growth Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to Ranger International Management, LP to act as Investment Manager and Link Fund Solutions Pty Limited (formerly White Outsourcing Pty Limited) to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

(i) Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial year and up to the date of this report.

Philip D Gentry (Chairman)
Harvey H Kalman
Martin G Walsh (resigned 9 June 2017)
Geoffory R Rimmer (resigned 4 October 2016)
Ian C Westley (appointed 12 December 2016)

(ii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial year.

(b) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

Key management personnel did not hold units in the Fund as at 30 June 2017 (30 June 2016: nil).

(c) Key management personnel compensation

Key management personnel are paid by Equity Trustees Limited. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

(d) Key management personnel loans

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

(e) Other transactions within the Fund

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

14 Related party transactions (continued)

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

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees.

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

	Year ended 30 June 2017 \$	For the period 26 June 2015 to 30 June 2016 \$
Investment management fees for the year	301,343	148,014
Management fees reimbursement for the year	(172,291)	(161,255)
Total fees payable to the Investment Manager at year end	31,605	33,715
Total Investment Manager reimbursement receivable at year end	(28,699)	(37,623)
Responsible Entity fees for the year	30,146	24,931
Total fees payable to the Responsible Entity at year end	4,942	5,425

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

Investment Management fees reimbursed represent monies put into the Fund to ensure that the Fund's overall management costs remain within that disclosed in the Product Disclosure Statement.

(g) Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager), held no units in the Fund as at 30 June 2017 (30 June 2016: nil).

(h) Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the year (2016: nil).

15 Events occurring after the reporting period

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2017 or on the results and cash flows of the Fund 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 2017 and 30 June 2016.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 6 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2017 and of its performance for the financial year ended on that date.
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements also comply with 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 Equity Trustees Limited.

A handwritten signature in blue ink, appearing to read 'P.D. Gentry', with a stylized flourish at the end.

Philip D Gentry
Chairman

Melbourne
31 August 2017



Independent Auditor's Report

To the members of Ranger Global Income & Growth Fund

Opinion

We have audited the **Financial Report** of Ranger Global Income & Growth Fund (the Scheme).

In our opinion, the accompanying **Financial Report** of Ranger Global Income & Growth Fund is in accordance with the *Corporations Act 2001*, including

- giving a true and fair view of the Scheme's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises the:

- Statement of financial position as at 30 June 2017
- Statement of comprehensive income for the year then ended
- Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Scheme in accordance with the *Corporations Act 2001* and the relevant ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code). We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Ranger Global Income & Growth Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Ranger Global Income & Growth Fund (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.



In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors for the Financial Report

The Directors of Ranger Global Income & Growth Fund (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Scheme's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Andrew Reeves
Partner

Sydney
31 August 2017