

VanEck Vectors Australian Floating Rate ETF (ASX Code: FLOT)

ARSN 619 241 851

Interim report

For the period from 5 July 2017 (commencement of operations) to 30 November 2017

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These financial statements cover the VanEck Vectors Australian Floating Rate ETF as an individual entity.

The Responsible Entity of the VanEck Vectors Australian Floating Rate ETF is VanEck Investments Limited (ACN 146 596 116) (AFSL 416755). The Responsible Entity's registered office is:

VanEck Investments Limited
Aurora Place
Level 4, Suite 3, 88 Phillip Street
SYDNEY NSW AUSTRALIA 2000

Directors' report

The directors of VanEck Investments Limited (ACN 146 596 116), the Responsible Entity of VanEck Vectors Australian Floating Rate ETF (the "Fund"), present their report together with the financial statements of the Fund for the period from 5 July 2017 (commencement of operations) to 30 November 2017.

Principal activities

The Fund is an exchange traded fund which is a registered investment scheme.

The Fund invests in floating rate bonds issued by corporate entities such as the largest banks in Australia, foreign banks, other lending institutions and Australian listed property trusts in accordance with the product disclosure statement of the Fund and the provisions of the Fund's Constitution.

The Fund did not have any employees during the period.

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

Directors

The following persons held office as directors of VanEck Investments Limited during the period and up to the date of this report:

Jan van Eck
Bruce Smith
Arian Neiron
Michael Brown
Jonathan Simon

Review and results of operations

The Fund invests in floating rate bonds issued by corporate entities such as the largest banks in Australia, foreign banks, other lending institutions and Australian listed property trusts as set out in the product disclosure statement of the Fund and in accordance with the provisions of the Fund's Constitution.

The Fund generally invests in the securities that are constituents of the Bloomberg AusBond Credit FRN 0+ Yr Index (the "Index") and aims to track the performance of the Index (with net income reinvested) in Australian dollars, before taking into account fees, expenses and tax.

Results

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

	Period from 5 July 2017 to 30 November 2017
Operating profit/(loss) before finance costs attributable to unitholders (\$)	<u>187,758</u>
Distribution to unitholders (\$)	<u>323,207</u>
Distribution (cents per unit - CPU)	<u>30.00</u>

Directors' report (continued)

Significant changes in the state of affairs

The Fund was constituted on 5 April 2017, registered by Australian Securities and Investments Commission (ASIC) as a managed investment scheme on 30 May 2017 and commenced operations on 5 July 2017. Accordingly these financial statements only include the current financial period, covering the period from the commencement of operations of the Fund to 30 November 2017.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 November 2017 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (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 of the Fund and in accordance with 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.

The future returns are dependent upon the performance of the underlying Index. The Fund's investment objective and strategy remains unchanged which is to track the performance of the Index. Accordingly the future returns of the Fund are dependent on the performance of the Index.

Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of VanEck Investments Limited or the auditors of the Fund. So long as the officers of VanEck Investments 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.

Indemnity of auditors

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Proceedings on behalf of the Fund

No person has applied for leave of Court to bring proceedings on behalf of the Fund or intervene in any proceedings to which the Fund is a party for the purpose of taking responsibility on behalf of the Fund for all or any part of those proceedings.

The Fund was not a party to any such proceedings during the period.

Environmental regulation

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

Directors' report (continued)

Rounding of amounts to the nearest dollar

The Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, 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.



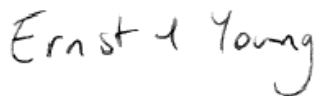
Arian Neiron
Director

Sydney
8 February 2018

Auditor's Independence Declaration to the Directors of VanEck Investments Limited, as Responsible Entity for VanEck Vectors Australian Floating Rate ETF

As lead auditor for the review of VanEck Vectors Australian Floating Rate ETF for the half-year ended 30 November 2017, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Ernst & Young



Rohit Khanna
Partner
Sydney
8 February 2018

Statement of comprehensive income

	Period from 5 July 2017 to 30 November 2017 \$
Investment income	
Interest income	169,737
Net gains/(losses) on financial instruments held at fair value through profit or loss	811
Other operating income/(loss)	<u>34,121</u>
Total investment income/(loss)	<u>204,669</u>
Expenses	
Management fees	<u>16,911</u>
Total operating expenses	<u>16,911</u>
Profit/(loss) for the period	<u>187,758</u>
Other comprehensive income for the period	<u>-</u>
Total comprehensive income for the period	<u>187,758</u>

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

Statement of financial position

	Notes	As at 30 November 2017 \$
Assets		
Cash and cash equivalents		69,351
Due from brokers - receivable for securities sold		50,984
Receivables		118,740
Financial assets held at fair value through profit or loss	4	<u>38,863,748</u>
Total assets		<u>39,102,823</u>
Liabilities		
Payables		20,057
Distributions payable	6	<u>93,604</u>
Total liabilities		<u>113,661</u>
Equity		<u>38,989,162</u>

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

Statement of changes in equity

	Period from 5 July 2017 to 30 November 2017
Notes	\$
Total equity at the beginning of the period	-
Issue of redeemable participating units	39,122,960
Units issued upon reinvestment of distributions	1,651
Comprehensive income for the period	187,758
Distributions	6 <u>(323,207)</u>
Total equity at the end of the period	<u>38,989,162</u>

Movement in units in issue are disclosed in note 5 to the financial statements.

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

Statement of cash flows

	Period from 5 July 2017 to 30 November 2017 \$
Cash flows from operating activities	
Proceeds from sale of financial instruments held at fair value through profit or loss	727,036
Purchase of financial instruments held at fair value through profit or loss	(39,782,487)
Interest received	196,085
Other income received	34,121
Management fees paid	(412)
Net cash inflow/(outflow) from operating activities	<u>(38,825,657)</u>
Cash flows from financing activities	
Proceeds from applications by unitholders	39,122,960
Distributions paid	(227,952)
Net cash inflow/(outflow) from financing activities	<u>38,895,008</u>
Net increase/(decrease) in cash and cash equivalents	69,351
Cash and cash equivalents at the beginning of the period	<u>-</u>
Cash and cash equivalents at the end of the period	<u>69,351</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 for the period from 5 July 2017 (commencement of operations) to 30 November 2017 cover the VanEck Vectors Australian Floating Rate ETF (the "Fund") as an individual entity. The Fund was constituted on 5 April 2017. The Fund will terminate in accordance with the provisions of the Fund's Constitution.

The Responsible Entity of the Fund is VanEck Investments Limited (the "Responsible Entity"). The Responsible Entity's registered office is Aurora Place, Level 4, Suite 3, 88 Phillip Street, SYDNEY, NSW, AUSTRALIA, 2000.

These financial statements are presented in Australian dollars, which is the Fund's functional and presentation currency.

The Fund invests in floating rate bonds issued by corporate entities such as the largest banks in Australia, foreign banks, other lending institutions and Australian listed property trusts in accordance with the product disclosure statement of the Fund and the provisions of the Fund's Constitution.

The financial statements were authorised for issue by the directors on 8 February 2018. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The Custodian and Administrator of VanEck Vectors Australian Floating Rate ETF is State Street Australia Limited. The ultimate holding company of the Custodian is State Street Corporation (incorporated in the United States of America).

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 throughout the period 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 AASB 134 *Interim Financial Reporting* and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

The Fund 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.

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(b) Financial instruments

(i) Classification

The Fund's investments are categorised as 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 and financial liabilities that are not held for trading purposes and which may be sold. These are investments in floating rate bonds.

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 Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Recognition/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.

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

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

At initial recognition, the Fund measures a financial asset at its fair value, excluding interest receivable.

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, excluding interest income 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 in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active markets is determined using valuation techniques. For further details on how the fair value of financial instruments are determined, please see note 3 to the financial statements.

(c) Redeemable participating units

Units are classified as equity. Notwithstanding the obligation of the Fund to redeem the units at the unitholder's option, the Responsible Entity considers the Units to meet the requirements for equity classification within AASB 132.16A and B. The Constitution states that the distributions are at the discretion of directors. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem the units in 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, 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 Fund's main income generating activity.

(e) Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

2 Summary of significant accounting policies (continued)

(f) Expenses

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

(g) Income tax

Under current legislation, the Fund is not subject to income tax as the income is attributed to the unitholders.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be attributed to the unitholders.

Realised capital losses are not attributed to unitholders but are retained in the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is attributed to unitholders.

The benefits of tax credits paid are passed on to unitholders.

(h) Distributions

In accordance with the Fund's Constitution, the Fund distributes its distributable taxable income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are usually payable on a quarterly basis. The distributions to unitholders are recognised in the Statement of changes in equity.

(i) 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 period. 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 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 bankruptcy or financial reorganisation and default in payments.

(j) Receivables

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

(k) Payables

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

The distribution amount payable to unitholders as at the end of the reporting period is recognised separately on the Statement of financial position as unitholders are presently entitled to the distributable income under the Fund's Constitution.

(l) Applications and redemptions

Application amounts can be paid by cash or in the form of a parcel of prescribed securities transferred to the Responsible Entity's custodian. The parcel of securities related to in-specie applications generally reflect the characteristics of the Bloomberg AusBond Credit FRN 0+ Yr Index. Investors may purchase units by trading on the Australian Securities Exchange (ASX).

Unitholders can only redeem units if they are "Authorised Participants", as defined in the Fund's product disclosure statement. Units can be sold by trading on ASX.

2 Summary of significant accounting policies (continued)

(l) Applications and redemptions (continued)

Unit prices are determined by reference to the net assets of the Fund divided by the number of units on issue. For unit pricing purposes, net assets are determined using the last reported trade price for securities. These prices may differ from the market.

(m) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable have been passed onto the Fund. The Fund 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.

(n) Use of estimates

The Fund may make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year/reporting period. 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.

Quoted market prices are not readily available for the Fund's financial instruments.

For certain other financial instruments, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

3 Fair values of financial assets and liabilities

(a) Fair value estimation

(i) Valuation techniques used to derive level 2 fair value

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.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors.

Fair values, excluding interest receivable, were determined by an independent pricing service. The primary input in determining the fair values is published interest rates.

3 Fair values of financial assets and liabilities (continued)

(b) Fair value hierarchy

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities designated at fair value through profit or loss (see note 4)

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

AASB 13 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 level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below presents the Fund's financial assets measured at fair value according to the fair value hierarchy as at 30 November 2017.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 30 November 2017				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Debt securities	-	38,863,748	-	38,863,748
Total	-	38,863,748	-	38,863,748

The Fund did not hold any Level 1 and Level 3 instruments during the period 5 July 2017 to 30 November 2017.

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(i) Transfers between levels

There were no transfers between the levels in the fair value hierarchy for the period from 5 July 2017 to 30 November 2017. There were also no changes made to any of the valuation techniques applied as at 30 November 2017.

4 Financial assets held at fair value through profit or loss

	As at 30 November 2017 \$
Designated at fair value through profit or loss	
Debt securities	<u>38,863,748</u>
Total designated at fair value through profit or loss	<u>38,863,748</u>
Total financial assets held at fair value through profit or loss	<u>38,863,748</u>

5 Units in issue

Movements in the number of units during the period were as follows:

	Period from 5 July 2017 to 30 November 2017 No.
Opening balance	-
Applications	1,560,000
Units issued upon reinvestment of distributions	<u>66</u>
Closing balance	<u>1,560,066</u>

As stipulated within the Fund's Constitution, a unit confers an equal undivided, vested, and inalienable interest in the assets as a whole, subject to the liabilities. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Capital risk management

The amount of equity attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

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 unitholders.

6 Distributions to unitholders

The distributions during the period were as follows:

	Period from 5 July 2017 to 30 November 2017 \$	Period from 5 July 2017 to 30 November 2017 CPU
Distributions paid	229,603	24.00
Distributions payable	<u>93,604</u>	<u>6.00</u>
Total distributions	<u>323,207</u>	<u>30.00</u>

7 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 Fund disclosed in the Statement of financial position as at 30 November 2017 or on the results and cash flows of the Fund for the period ended on that date.

8 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 November 2017.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the interim financial statements and notes set out on pages 6 to 17 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;
 - (ii) giving a true and fair view of the Fund's financial position as at 30 November 2017 and of its performance for the reporting period ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

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



Arian Neiron
Director

Sydney
8 February 2018

Independent Auditor's Review Report to the unit holders of VanEck Vectors Australian Floating Rate ETF

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of VanEck Vectors Australian Floating Rate ETF ("the Fund"), which comprises the statement of financial position as at 30 November 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 5 July 2017 (commencement of operations) to 30 November 2017 notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Fund is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Fund's financial position as at 30 November 2017 and of its financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 30 November 2017 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Independence

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

Ernst & Young

Ernst & Young

A handwritten signature in black ink, which appears to read 'Rohit Khanna', is located below the printed name.

Rohit Khanna
Partner
Sydney
8 February 2018