

**PRIMARY INVESTMENT BOARD**  
ARSN 618 038 323

**ANNUAL REPORT FOR THE PERIOD**  
**29 MARCH 2017 to 30 JUNE 2018**

## Primary Investment Board - ARSN 618 038 323

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## **Primary Investment Board - ARSN 618 038 323**

### **Directors' Report**

The directors of Primary Securities Ltd, the Responsible Entity of Primary Investment Board, present their report together with the financial statements of Primary Investment Board ('the Scheme') for the period ended 30 June 2018.

#### **Directors**

The names of the directors of the Responsible Entity, Primary Securities Ltd, who held office during or since the period ending 30 June 2018 are:

*David Butterfield (Chairman)*  
*Robert Garton Smith (Managing Director)*  
*Ian Murchison*  
*Anthony Wamsteker (resigned 18 April 2018)*

#### **Principal activities**

The Scheme is a registered managed investment scheme domiciled in Australia. The principal activity of the Scheme is to invest in accordance with its investment objectives and guidelines as set out in the Product Disclosure Statement and in accordance with the provisions of the Constitution.

There has been no significant change in the nature of these activities during the period.

The Scheme did not have any employees during the period.

#### **Review of operations**

This is the first reporting period of the Scheme.

#### **Results**

The results of the operations of the Scheme are contained in the Statement of Profit or Loss and Other Comprehensive Income of these financial statements. The profit/(loss) attributable to unitholders for the period ended 30 June 2018 was (\$236,363).

#### **Distributions**

Distributions to unitholders during the period were \$nil.

#### **Subsequent events**

There has not been any matter or circumstance occurring since the end of the period ended 30 June 2018 that has significantly affected, or may significantly affect, the operations of the Scheme, the results of the Scheme, or the state of affairs of the Scheme in future financial years.

#### **Future developments**

The Scheme will operate in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme Constitution.

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.

#### **Options**

No options over issued units or interests in the Scheme were granted during or since the end of the period and there were no options granted to the Responsible Entity.

## Primary Investment Board - ARSN 618 038 323

### Directors' Report

#### Indemnification of officers

During the period ended 30 June 2018, the Responsible Entity paid a premium in respect of a contract insuring the directors of the Responsible Entity, the secretary of the Responsible Entity, and all executive officers of the Responsible Entity against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The disclosure of premium paid is not permitted under the contract.

The Responsible Entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred as such an officer or auditor.

#### Scheme information

- a) Fees paid to the Responsible Entity and its associates from the Scheme during the period were \$5,136.
- b) The numbers of interests in the Scheme held by the Responsible Entity and its associates as at the end of the year were nil.
- c) Interests issued during the period by the Scheme were 4,695,422 units
- d) Withdrawals from the Scheme during the period were \$98,075.
- e) The value of the Scheme's assets as at the end of the year were \$3,829,774.<sup>1</sup>
- f) The number of interests in the Scheme as at the end of the year were 4,567,303 units.

#### Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

This Directors' report is signed on behalf of the Directors of the Responsible Entity, Primary Securities Ltd in accordance with a resolution of directors made pursuant to s. 298(2) of the *Corporations Act 2001*.



.....  
Chairman, David Butterfield

Dated 28th September 2018

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<sup>1</sup> Application money is included in the balance sheet so that it is accounted for, but technically does not constitute scheme assets until allotment has occurred.

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the Primary Investment Board for the period from registration on 29 March 2017 to 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

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

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth

Date: 28 September 2018

**Primary Investment Board - ARSN 618 038 323**

**Statement of profit or loss and other comprehensive income  
For the period ended 30 June 2018**

	Notes	Period from 29 March 2017 (date of registration) to 30 June 2018 \$
<b>Income</b>		
Interest income		320
Change in fair value of financial instruments		(231,547)
<b>Total income</b>		<u><b>(231,227)</b></u>
<b>Expenses</b>		
Trustee fee	3	3,595
Other expenses	3	1,541
<b>Total expenses</b>		<u><b>5,136</b></u>
<b>Profit attributable to unitholders</b>		<u><b>(236,363)</b></u>
<b>Finance costs attributable to unitholders</b>		
Distribution to unitholders	6	-
<b>Total finance costs attributable to unitholders</b>		<u>-</u>
<b>Net profit for the period</b>		<u><b>(236,363)</b></u>
Other comprehensive income		-
<b>Increase in net assets attributable to unitholders</b>	4	<u><b>(236,363)</b></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Primary Investment Board - ARSN 618 038 323

### Statement of financial position As at 30 June 2018

	Note s	2018 \$
<b>Assets</b>		
Cash and cash equivalents	10	320
Trade and other receivables	8	225,376
Financial assets held at fair value through profit or loss	7	3,604,453
<b>Total assets</b>		<b><u>3,830,149</u></b>
<b>Liabilities</b>		
Payables	9	73,587
Unallocated Subscriptions		225,000
<b>Total Liabilities (excluding net assets attributable to unitholders)</b>		<b><u>298,587</u></b>
<b>Net assets attributable to unitholders - liability</b>		<b><u>3,531,562</u></b>

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

**Primary Investment Board - ARSN 618 038 323**

**Statement of changes in equity  
For the period ended 30 June 2018**

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there is no equity at the start or end of the year and as such the fund is not required to prepare Statement of Changes in Equity.



**Primary Investment Board - ARSN 618 038 323**

**Statement of cash flows  
For the period ended 30 June 2018**

	Period from 29 March 2017 (date of registration) to 30 June 2018
Note s	\$
<b>Cash flows from operating activities</b>	
Interest received	320
Trustee fees paid	-
Other expenses paid	-
<b>Net cash generated by operating activities</b>	<u>10(b) 320</u>
<b>Cash flows from investing activities</b>	
Proceeds from sale of financial instruments held at fair value through profit or loss	30,000
Payment for financial instruments held at fair value through profit or loss	<u>(3,866,000)</u>
<b>Net cash generated by investing activities</b>	<u>(3,836,000)</u>
<b>Cash flows from financing activities</b>	
Proceeds from issue of units	3,866,000
Payment for redemption of units	<u>(30,000)</u>
<b>Net cash generated by financing activities</b>	<u>3,836,000</u>
Net increase in cash and cash equivalents	320
Cash and cash equivalents at beginning of the period	<u>-</u>
<b>Cash and cash equivalents at the end of period</b>	<u>10(a) 320</u>

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

## Primary Investment Board - ARSN 618 038 323

### Notes to the financial statements For the period ended 30 June 2018

#### NOTE 1: General Information

Primary Investment Board (the "Scheme") is a registered investment scheme under the Corporations Act 2001. The financial report of the Scheme is for the period ended 30 June 2018.

The Scheme was constituted and registered as a managed investment scheme on 29 March 2017 with the Australian Securities & Investments Commission ("ASIC"). The Responsible Entity is Primary Securities Ltd. The registered office is 3 Shuffrey Street, Fremantle WA 6160, Australia.

The financial statements were approved by the Board of Directors of the Responsible Entity on 28th September 2018.

#### NOTE 2: Summary of Significant Accounting Policy

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

##### a. Basis of preparation

These financial statements have been prepared on the basis that the Scheme is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the Corporations Act 2001 in Australia.

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

##### *(i) Compliance with Financial Reporting Standards*

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board.

##### *(ii) Reporting basis and conventions*

The financial report has been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value. The financial report is presented in Australian currency, which is also the functional currency.

##### *(iii) Use of estimates and judgments*

In the application of accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

When the fair values of financial assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using a degree of judgment in establishing fair value, which include considerations such as liquidity risk, credit risk and volatility.

##### b. Financial Instruments

Financial assets and financial liabilities are recognised when the Scheme becomes a party to the contractual provisions of the instrument. The Scheme recognises changes in fair value of the financial Instruments from this date.

Financial assets and financial liabilities are derecognised where the contractual right to receipt of cash flows expires or the asset and all risks and rewards of ownership is transferred to another party.

## **Primary Investment Board - ARSN 618 038 323**

### **Notes to the financial statements For the period ended 30 June 2018**

#### **NOTE 2: Statement of Significant Accounting Policies**

##### **b. Financial Instruments (cont'd)**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

- **Fair value in an active market**

The fair value of financial Instruments traded in active markets is based on their quoted market prices at report date without any deduction for estimated future selling costs. Financial Instruments are priced at last traded prices.

- **Fair value in an inactive or unquoted market**

The fair value of financial Instruments 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, or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

##### **c. Investment income and expenses**

Changes in the fair value of financial instruments are recognised in the Statement of profit or loss and other comprehensive Income.

Gross proceeds from sale of investments are disclosed in the Statement of Cash Flows.

Dividend, interest income and expenses are recognised on an accrual basis in the Statement of profit or loss and other comprehensive income.

##### **d. Income tax**

Under current legislation the Scheme is not subject to income tax provided unitholders are presently entitled and taxable income including assessable capital gains is fully distributed to Unitholders.

##### **e. Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term investments in the money market with original maturities of three month or less, bank overdrafts and money market funds with daily liquidity and all highly liquid financial instruments that mature within three months of being purchased.

## **Primary Investment Board - ARSN 618 038 323**

### **Notes to the financial statements For the period ended 30 June 2018**

#### **NOTE 2: Statement of Significant Accounting Policies**

##### **f. Goods and services tax (GST)**

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

##### **g. Distributions**

In accordance with the Scheme's Constitution and applicable taxation legislation, the Scheme fully distributes its distributable income to the unitholders by way of cash or reinvestment into the Scheme.

Distributions are recognised in the Statement of profit or loss and other comprehensive income as finance costs attributable to unitholders.

##### **h. Exit price**

The unit exit price is calculated in accordance with the Constitution of the Scheme and is determined by the value of the assets of the Scheme less its liabilities, divided by the number of units on issue.

##### **i. Payables**

Payable are recognised when the Scheme becomes obliged to make future payments resulting from the purchase of goods and services.

##### **j. Receivables**

Receivables include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment.

##### **k. Applications and redemptions**

Applications received for units in the Scheme are recorded prior to the issue of units in the Scheme. Unit redemption prices are determined by reference to the net assets of the Scheme divided by the number of units on issue at or immediately prior to close of business at the end of each month.

##### **l. Net assets attributable to unitholders**

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities.

## Primary Investment Board - ARSN 618 038 323

### Notes to the financial statements For the period ended 30 June 2018

#### NOTE 2: Statement of Significant Accounting Policies

##### m. New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective are not applicable to the Scheme and have not been adopted by the Scheme for the reporting period ended 30 June 2018. The new standard will have minimal impact to the Scheme because of the nature of the revenue.

#### NOTE 3. Expenses

	<b>Period from 29 March 2017 (date of registration) to 30 June 2018</b>
	<b>\$</b>
Trustee fee	3,595
Other expenses	1,541
	<u>5,136</u>

#### NOTE 4. Net assets attributable to unitholders

	<b>30 June 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>Units</b>
Opening balance	-	-
Applications	3,866,000	4,695,422
Redemptions paid or payable	(98,075)	(128,119)
Increase/(Decrease) in net assets attributable to unitholders	<u>(236,363)</u>	<u>-</u>
Closing balance	<u>3,531,562</u>	<u>4,567,303</u>

The Scheme Constitution provides for classes of units. Every class of unit shall entitle each investor of the relevant class together with all other investors in relation to the class for the time being to a beneficial interest in the class.

Assets, class liabilities, class Income and class expenses allocated to the relevant class shall not confer any interest or right to the underlying assets of the Scheme.

#### NOTE 5. Capital Risk Management

The Scheme manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

Under the terms of the Scheme's Constitution, the Responsible Entity has the discretion to reject an application to the Scheme, if the exercise of such discretion is in the best interests of Scheme investors.

**Primary Investment Board - ARSN 618 038 323**

**Notes to the financial statements  
For the period ended 30 June 2018**

**NOTE 6. Distributions to unitholders**

	<b>Period from 29 March 2017 (date of registration) to 30 June 2018</b>
	<b>\$</b>
Distributions paid and payable	-
Cents per unit	-

**NOTE 7. Financial assets held at fair value through profit or loss**

	<b>2018</b>
	<b>\$</b>
Class F - Warburton Global Fund	
Warburton Global Fund	3,836,000
Revaluation MTM	<u>(231,547)</u>
Designated at fair value through profit or loss	<u>3,604,453</u>

**NOTE 8. Trade and other receivables**

	<b>2018</b>
	<b>\$</b>
Unsettled trades	225,000
Other receivables	<u>376</u>
	<u>225,376</u>

**NOTE 9. Payables**

	<b>2018</b>
	<b>\$</b>
Trustee fee payable	5,512
Redemption payable	<u>68,075</u>
	<u>73,587</u>

## Primary Investment Board - ARSN 618 038 323

### Notes to the financial statements For the period ended 30 June 2018

#### NOTE 10. Cash flow information

##### a) Reconciliation of cash and cash equivalents

	2018
	\$
Cash balance comprises:	
Cash at bank	320
Total cash and cash equivalents	<u>320</u>

##### b) Reconciliation of net operating (loss) / profit to cash flows from operating activities

	Period from 29 March 2017 (date of registration) to 30 June 2018
	\$
Net operating (loss)/profit before finance costs	(236,363)
Change in fair value of financial instruments	231,547
Increase in receivables	(376)
Increase in payables	5,512
Net cash provided by/(used in) operating activities	<u>320</u>

#### NOTE 11. Related Party Disclosures

##### a. Fees paid to the Responsible Entity

There were \$5,136 fees paid or payable to the Responsible Entity during the period.

##### b. Key Management Personnel

The names of the directors of the Responsible Entity, Primary Securities Ltd, who held office during the period are:

*David Butterfield (Chairman)*  
*Robert Garton Smith (Managing Director)*  
*Ian Murchison*  
*Anthony Wamsteker (resigned 18 April 2018)*

Key management personnel are paid by Primary Securities Ltd. Payments made from the Scheme to Primary Securities Ltd do not include any amounts attributable to the compensation of key management personnel.

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

There are no post-employment benefits paid to a director or key management personnel of the Responsible Entity.

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

## Primary Investment Board - ARSN 618 038 323

### Notes to the financial statements For the period ended 30 June 2018

#### NOTE 12. Auditor's remuneration

Scheme audit fees are paid by the Responsible Entity.

#### NOTE 13. Financial Risk Management

The Scheme's activities may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk and arise from the financial instruments it holds or issues.

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's Product Disclosure Statement and investment mandate and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed.

##### (i) Price risk

The Scheme may be exposed to equity securities price risk. This arises from investments held by the Scheme for which prices in the future are uncertain. They are classified on the Statement of Financial Position as at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

These market risks include changes in a company's internal operations or management, Australian economic factors and also relate to changes in taxation policy, monetary policy, interest rates and statutory requirements.

The sensitivity analysis below is based on a generic approach using +/- 10% to provide a benchmark for demonstrating sensitivity to changes in various risk parameters.

At 30 June, had the underlying market value of the investments moved, with all other variables held constant, the operating profit and net assets attributable to unitholders would have been affected as follows:

<b>Change in equity price (%)</b>	<b>Effect on net assets attributable to unitholders Period ended 30 June 2018</b>
	<b>\$</b>
+10% / -10%	360,445.30 / (360,445.30)

<b>Change in equity price (%)</b>	<b>Effect on operating profit Period ended 30 June 2018</b>
	<b>\$</b>
+10% / -10%	360,445.30 / (360,445.30)



## **Primary Investment Board - ARSN 618 038 323**

### **Directors' Declaration**

#### **NOTE 13. Financial Risk Management (cont'd)**

##### **(ii) Interest rate risk**

Interest bearing financial instruments may expose the Scheme to risks associated with the effect of fluctuations in the prevailing level of market interest rates on its financial position and cash flows.

The Scheme's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities, is minimal due to low interest bearing cash balances held.

##### **(iii) Foreign exchange risk**

The Scheme may invest in financial instruments denominated in currencies other than its functional currency. Consequently, the Scheme may be exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Scheme's assets or liabilities denominated in currencies other than the Australian Dollar.

The foreign exchange exposure of the Scheme as at 30 June 2018 in currencies other than Australian Dollar is \$nil.

##### **(iv) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk may be controlled by the Scheme investing in financial instruments that under normal market conditions are readily convertible to cash.

The liquidity risks associated with the need to satisfy unitholders' requests for redemptions may be mitigated by maintaining a constant pool of cash to satisfy usual levels of demand.

##### **(v) Credit risk**

Credit risk primarily arises from investments in debt securities and from trading derivative products. The Scheme's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions.

## Primary Investment Board - ARSN 618 038 323

### Directors' Declaration

#### NOTE 13. Financial Risk Management (cont'd)

##### (vi) Fair value measurement

Financial instruments carried at fair value are categorised under a three level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

The three levels are:

Level 1: Valued by reference to quoted prices in active markets for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arms-length basis.

Level 2: Valued using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), including: quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities, and other inputs that are not quoted prices but are observable for the asset or liability. Investments in unlisted managed Schemes are measured at their exit price as determined by the Scheme manager, based on the net asset value of the Scheme at the valuation date.

Level 3: Valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable inputs are determined based on the best information available, which might include the Scheme's own data, reflecting the Scheme's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Valuation techniques are used to the extent that observable inputs are not available.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>30 June 2018</b>				
<b>Fair value through profits or loss</b>				
Unlisted unit trust	-	3,604,453	-	3,604,453
Listed investment	-	-	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>3,604,453</b>	<b>-</b>	<b>3,604,453</b>
<b>Loans and receivables</b>				
Loans receivable	-	-	-	-
<b>Total loans and receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>-</b>	<b>3,604,453</b>	<b>-</b>	<b>3,604,453</b>

#### NOTE 14. Contingencies

There were no contingent liabilities, assets or commitments at 30 June 2018.

#### NOTE 15. Events subsequent to balance date

There has not been any matter or circumstance occurring since the end of the period ended 30 June 2018 that has significantly affected, or may significantly affect, the operations of the Scheme, the results of the Scheme, or the state of affairs of the Scheme in future financial years.

## Primary Investment Board - ARSN 618 038 323

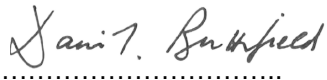
### Directors' Declaration

The directors of Primary Securities Ltd, the Responsible Entity of Primary Investment Board ("the Scheme") declare that:

- (a) The financial statements and notes, as set out in pages 6 to 18, are in accordance with the Corporations Act 2001 and give a true and fair view of the Scheme's financial position as at 30 June 2018 and its performance for the period then ended;
- (b) The financial statements comply with Australian Accounting Standards and the Corporations Regulations 2001; and.
- (c) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the Board of directors of the Responsible Entity pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Board



.....  
Chairman, David Butterfield

Dated 28th September 2018

## INDEPENDENT AUDITOR'S REPORT TO THE INVESTORS IN PRIMARY INVESTMENT BOARD

### Opinion

We have audited the financial report of Primary Investment Board ("the Scheme") which comprises the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from registration on 29 March 2017 to 30 June 2018 ("the period"), and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the directors.

In our opinion, the accompanying financial report of Primary Investment Board is prepared, in all material respects, in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Scheme's financial position as at 30 June 2018 and of its financial performance for the period then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

### Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Scheme in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

### Other Information

The directors of the Responsible Entity, Primary Securities Ltd are responsible for the other information. The other information comprises the information in the Scheme's annual report for the period ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Directors' Responsibilities for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER  
Director

Perth

Date: 28 September 2018