

Ophir Opportunities Fund

ABN 56 532 983 392

Special Purpose Financial Statements

For the year ended 30 June 2017

Ophir Opportunities Fund

ABN 56 532 983 392

Special Purpose Financial Statements For the year ended 30 June 2017

Contents

	Page
Fund Particulars	2
Directors' Report	3
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	19
Independent Auditor's Report to the Unitholders of Ophir Opportunities Fund	20

**Ophir Opportunities Fund
Fund Particulars**

MANAGER OF THE FUND AND TRUSTEE FOR THE UNITHOLDERS	Ophir Asset Management Pty Ltd ABN 88 156 146 717 AFS licence number: 420 082
REGISTERED OFFICE	Level 16 1 Market Street Sydney NSW 2000
DIRECTORS OF THE MANAGER AND TRUSTEE	Andrew Mitchell Steven Ng
SOLICITORS	PMC Legal 11 Cairo Street South Coogee NSW 2034
CUSTODIAN OF THE FUND	Link Fund Solutions Pty Limited (formerly White Outsourcing Pty Limited) Level 12 680 George Street Sydney NSW 2000
ADMINISTRATOR OF THE FUND	Link Fund Solutions Pty Limited (formerly White Outsourcing Pty Limited) Level 12 680 George Street Sydney NSW 2000
AUDITOR OF THE FUND	Ernst & Young 200 George Street Sydney NSW 2000

Directors' Report

The Directors of Ophir Asset Management Pty Ltd, the Trustee of Ophir Opportunities Fund, present their report together with the financial statements of Ophir Opportunities Fund ("the Fund") for the year ended 30 June 2017.

Principal activities

The principal activity of the Fund is conducting securities investment activities in Australia, investing in a diversified portfolio of Australian listed companies outside the ASX 100 with a primary focus on stocks outside the ASX 150.

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.

Directors

The following persons held office as Directors of the Trustee during the year or since the end of the year and up to the date of this report:

Andrew Mitchell
Steven Ng

Review and results of operations

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

	Year ended	
	30 June 2017	30 June 2016
	\$	\$
Operating profit/(loss) before finance costs attributable to unitholders	<u>(1,749,820)</u>	53,001,161
<i>Distributions</i>		
Distributions payable	<u>17,146,238</u>	30,302,040

Significant changes in state of affairs

In the opinion of the Directors, there were no 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 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

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

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 Ophir Asset Management Pty Ltd. So long as the officers 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.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 5 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 a Commonwealth, State or Territory law.

This report is made in accordance with a resolution of the Directors of Ophir Asset Management Pty Ltd.



Andrew Mitchell
Director



Steven Ng
Director

Sydney
27 October 2017

Ophir Opportunities Fund
Statement of Comprehensive Income
For the year ended 30 June 2017

Statement of Comprehensive Income

	Year ended	
	30 June	30 June
	2017	2016
Notes	\$	\$
Investment income		
Interest income	76,708	136,335
Dividend income	1,776,340	2,245,049
Unit trust distributions	188	15,778
Net gains/(losses) on financial instruments held at fair value through profit or loss	3 (1,346,114)	59,709,460
Total investment income/(loss)	<u>507,122</u>	<u>62,106,622</u>
Expenses		
Management fees	1,268,395	1,353,892
Performance fees	-	6,550,786
Administration fees	5,125	5,160
Transaction costs	737,208	844,032
Expense reimbursement fees	246,181	351,561
Other operating expenses	33	30
Total operating expenses	<u>2,256,942</u>	<u>9,105,461</u>
Operating profit/(loss)	<u>(1,749,820)</u>	<u>53,001,161</u>
Finance costs attributable to unitholders		
Distributions to unitholders	6 (17,146,238)	(30,302,040)
(Increase)/decrease in net assets attributable to unitholders	5 18,896,058	(22,699,121)
Profit/(loss) for the year	-	-
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Ophir Opportunities Fund
Statement of Financial Position
As at 30 June 2017**

Statement of Financial Position

		As at	
		30 June 2017	30 June 2016
	Notes	\$	\$
Assets			
Cash and cash equivalents	7	6,176,149	12,853,798
Receivables	9	358,736	937,525
Due from brokers - receivable for securities sold		3,952,402	4,303,866
Financial assets held at fair value through profit or loss	4	115,650,318	137,073,574
Total assets		<u>126,137,605</u>	<u>155,168,763</u>
Liabilities			
Distributions payable	6	17,146,238	30,302,040
Payables	10	127,476	2,058,537
Due to brokers - payable for securities purchased		495,122	8,474,739
Total liabilities (excluding net assets attributable to unitholders)		<u>17,768,836</u>	<u>40,835,316</u>
Net assets attributable to unitholders - liability	5	<u>108,368,769</u>	<u>114,333,447</u>

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

**Ophir Opportunities Fund
Statement of Changes in Equity
For the year ended 30 June 2017**

Statement of Changes in Equity

	Year ended	
	30 June 2017	30 June 2016
	\$	\$
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 unitholders 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.

**Ophir Opportunities Fund
Statement of Cash Flows
For the year ended 30 June 2017**

Statement of Cash Flows

	Year ended	
	30 June	30 June
	2017	2016
Notes	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	293,140,049	352,768,011
Purchase of financial instruments held at fair value through profit or loss	(280,644,908)	(320,683,466)
Interest received	87,259	130,242
Dividends received	1,719,597	2,112,741
Distributions received	15,966	15,778
Expense reimbursement fees received	-	80,614
Management fees paid	(1,281,717)	(1,377,534)
Transaction costs paid	(717,220)	(908,959)
Expense reimbursement fees paid	(328,164)	(363,029)
Administration fees paid	(5,126)	(5,188)
Performance fees paid	(1,292,692)	(7,504,386)
Payment of other operating expenses	(33)	(29)
Net cash inflow/(outflow) from operating activities	8(a) 10,693,011	24,264,795
Cash flows from financing activities		
Proceeds from applications by unitholders	5 146,901	21,191,524
Payments for redemptions by unitholders	5 (13,162,794)	(37,297,099)
Distributions paid	(4,354,767)	(1,581,443)
Net cash inflow/(outflow) from financing activities	(17,370,660)	(17,687,018)
Net increase/(decrease) in cash and cash equivalents	(6,677,649)	6,577,777
Cash and cash equivalents at the beginning of the year	12,853,798	6,276,021
Cash and cash equivalents at the end of the year	7 6,176,149	12,853,798
Non-cash financing activities	8(b) 25,947,273	4,253,273

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 General information

These financial statements cover Ophir Opportunities Fund ("the Fund") as an individual entity. The Fund was constituted on 4 July 2012 and commenced operations on 3 August 2012.

The principal activity of the Fund is conducting securities investment activities in Australia, investing in a diversified portfolio of Australian listed companies outside the ASX 100 with a primary focus on stocks outside the ASX 150.

The Fund terminates on the earliest of:

- (i) the 80th anniversary of the date before the Fund commenced;
- (ii) the date notified by the Investment Manager to the unitholders as the date on which the Fund is to terminate; and
- (iii) the date on which the Fund is terminated under the Fund's Constitution or by law.

Ophir Opportunities Fund is an unregistered, wholesale unit trust.

The Trustee of the Fund is Ophir Asset Management Pty Ltd (ABN 88 156 146 717) (AFSL 420 082) ("the Trustee"). The Trustee's registered office is Level 16, 1 Market Street, Sydney, NSW 2000. The Trustee is incorporated and domiciled in Australia.

The financial statements of the Fund are for the year ended 30 June 2017. The financial statements are presented in Australian Dollars, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

The financial statements were authorised for issue by the Directors on the date the Directors' Declaration was signed. The Directors of the Trustee 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

In the opinion of the Trustee, the Fund is not a reporting entity because there are no users dependent on general purpose financial report. The financial statements of the Fund have been prepared as special purpose financial statements for the distribution to the unitholders and to satisfy the requirements of the Fund's Constitution to prepare financial statements and must not be used for any other purpose.

The special purpose financial statements have been prepared in accordance with the requirements of the recognition and measurement aspects of all applicable Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the disclosure requirements of the following pronouncements:

- AASB 101: Presentation of Financial Statements
- AASB 107: Statement of Cash Flows
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048: Interpretation of Standards
- AASB 1054: Australian Additional Disclosure

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the AASB have been applied.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Ophir Opportunities Fund is a for-profit unit trust for the purpose of preparing the financial statements.

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 twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled more than twelve months after the end of each reporting period cannot be reliably determined.

The financial statements have been prepared on a historical cost basis, except for financial assets which have been measured at fair value.

(i) 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 5.

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.

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 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:

(i) 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 been 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 materially impact the Fund.

(ii) 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, 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.

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.

2 Summary of significant accounting policies (continued)

(b) Financial instruments

(i) Classification

- Financial instruments held for trading

These are investments in derivative financial instruments such as futures. The Fund does not designate any derivatives as hedges in a hedging relationship.

Derivatives in a net receivable position (positive fair value) are reported as financial assets held at fair value through profit or loss - held-for-trading. All derivatives in a net payable position (negative fair value) are reported as financial liabilities held at fair value through profit or loss - held-for-trading.

- 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 and unlisted investments.

Financial assets and liabilities 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 Trustee to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(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 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 risks and rewards of ownership.

(iii) Measurement

Financial assets held at fair value through profit or loss

At initial recognition, the Fund measures financial assets and financial liabilities at 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 held 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 held at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

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

The fair value of financial assets traded in active markets 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. For all of the investments, information provided by independent pricing services is relied upon for valuation of investments.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is 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 which could be offset in the Statement of Financial Position.

2 Summary of significant accounting policies (continued)

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Trustee if it is in the best interests of the unitholders. The units are classified as financial liabilities as the Fund is required to distribute its distributable income. 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 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 and 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.

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 earned on cash and cash equivalents is recognised in the Statement of Comprehensive Income on an accruals basis.

Changes in fair value for 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 expense. The Fund currently incurs withholding tax imposed by certain countries on dividend income. Such income is recorded gross of withholding tax in the Statement of Comprehensive Income.

Trust distributions are recognised on an entitlements basis.

Other income is recognised on an accruals basis.

(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 unitholders are presently entitled to the income of the Fund.

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 distributed so that the Fund is not subject to capital gains tax.

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

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

2 Summary of significant accounting policies (continued)

(h) Distributions

The Fund distributes its distributable income in accordance with the Fund's Constitution, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

The distributions are payable at the end of June each year.

(i) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of Comprehensive Income as finance costs.

The movements include undistributable income which may consist of unrealised changes in fair value of financial instruments held at fair value through profit or loss; accrued income not yet assessable; expenses provided or accrued for which are not yet deductible; net capital losses; and tax free or tax deferred income. Net capital gains on the realisation of any financial instruments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same period in which it becomes assessable for tax.

(j) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date and normally settled within two business days. A provision for impairment of amounts due from brokers is recognised in the Statement of Comprehensive Income 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.

(k) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a monthly basis. Amounts are generally received within 30 days of being recorded as receivables.

Receivables also include such items as Reduced Input Tax Credits (RITC).

(l) Payables

Payables include liabilities and accrued expenses owing 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 distributions 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.

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

(m) 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.

2 Summary of significant accounting policies (continued)

(n) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as investment management fees, performance fees and expense reimbursement fees have been passed onto the Fund. The Fund qualifies for RITC at a rate of at least 55%; hence investment management fees, performance fees and expense reimbursement fees 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.

(o) Comparative information

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

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

	Year ended	
	30 June	30 June
	2017	2016
	\$	\$
Financial assets		
Net gain/(loss) on financial assets held for trading	-	307,023
Net gain/(loss) on financial assets designated as at fair value through profit or loss	(1,346,114)	59,402,437
Net gains/(losses) on financial assets held at fair value through profit or loss	(1,346,114)	59,709,460
Net realised gain/(loss) on financial assets held at fair value through profit or loss	13,949,749	41,683,777
Net unrealised gain/(loss) on financial assets held at fair value through profit or loss	(15,295,863)	18,025,683
Net gains/(losses) on financial assets held at fair value through profit or loss	(1,346,114)	59,709,460

4 Financial assets held at fair value through profit or loss

	As at	
	30 June	30 June
	2017	2016
	\$	\$
Designated at fair value through profit or loss		
Equity securities	<u>115,650,318</u>	137,073,574
Total designated at fair value through profit or loss	<u>115,650,318</u>	137,073,574

Comprising:

Equity securities

Australian equity securities	115,650,318	136,389,876
Australian property trusts	-	683,698
Total financial assets held at fair value through profit or loss	<u>115,650,318</u>	137,073,574

5 Net assets attributable to unitholders

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

	Year ended			
	30 June	30 June	30 June	30 June
	2017	2017	2016	2016
	Units	\$	Units	\$
Opening balance	51,655,916	114,333,447	54,835,433	103,036,628
Applications	55,926	146,901	8,800,551	21,641,524
Redemptions	(6,073,736)	(13,162,794)	(13,988,007)	(37,297,099)
Reinvestment of distributions	11,955,647	25,947,273	2,007,939	4,253,273
Increase/(decrease) in net assets attributable to unitholders	-	(18,896,058)	-	22,699,121
Closing balance	<u>57,593,753</u>	<u>108,368,769</u>	51,655,916	114,333,447

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 multiple classes of units and each unit has the same rights attaching to it as all other units of the Fund. Under the Fund's Constitution, the Investment Manager may issue classes of units with different rights attached. Different classes of units may attract different management and performance fees.

Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a monthly basis as the Fund is subject to monthly applications and redemptions at the discretion of unitholders.

Monthly applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Trustee/Investment Manager. Under the terms of the Fund's Constitution, the Trustee 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 for the year were as follows:

	Year ended	
	30 June 2017	30 June 2016
	\$	\$
Distributions payable	17,146,238	30,302,040
Total distributions	17,146,238	30,302,040

7 Cash and cash equivalents

	As at	
	30 June 2017	30 June 2016
	\$	\$
Cash at bank	6,176,149	12,853,798
Total cash and cash equivalents	6,176,149	12,853,798

8 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	
	30 June 2017	30 June 2016
	\$	\$
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unitholders	(18,896,058)	22,699,121
Distributions to unitholders	17,146,238	30,302,040
Proceeds from sale of financial instruments held at fair value through profit or loss	293,140,049	352,768,011
Purchase of financial instruments held at fair value through profit or loss	(280,644,908)	(320,683,466)
Net (gains)/losses on financial instruments held at fair value through profit or loss	1,346,114	(59,709,460)
Dividends reinvested	(46,152)	(176,950)
Net change in receivables	578,789	(497,541)
Net change in payables	(1,931,061)	(436,960)
Net cash inflow/(outflow) from operating activities	10,693,011	24,264,795

(b) Non-cash financing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

	25,947,273	4,253,273
Total non-cash financing activities	25,947,273	4,253,273

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

9 Receivables

	As at	
	30 June 2017	30 June 2016
	\$	\$
Dividends and distributions receivable	10,591	15,778
Interest receivable	3,336	13,887
GST receivable	344,809	901,352
Other receivables	-	6,508
Total receivables	358,736	937,525

Receivables are unsecured and non-interest bearing.

10 Payables

	As at	
	30 June 2017	30 June 2016
	\$	\$
Management fees payable	104,556	122,316
Performance fees payable	-	1,818,930
Other payables	22,920	117,291
Total payables	127,476	2,058,537

Payables are unsecured and non-interest bearing.

11 Remuneration of auditors

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

	Year ended	
	30 June 2017	30 June 2016
	\$	\$
Ernst & Young		
<i>Audit and other services</i>		
Audit of financial statements	8,000	-
Total remuneration of audit and other assurance services	8,000	-
Nexia Sydney		
<i>Audit and other services</i>		
Audit of financial statements	-	12,400
Total remuneration of audit and other assurance services	-	12,400

The remuneration to auditors is paid directly by the Investment Manager in accordance with the Fund's Constitution.

12 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 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.

13 Contingent assets and liabilities and commitments

A total fee cap of 3.75% is applied to some classes of units within the Fund when the funds under management exceeds \$30 million. As at 30 June 2016 the Fund's performance fee payable in excess of these caps was \$831,353. This performance fee may or may not become payable depending on the Fund's future performance and the amount of funds under management. The underperformance during the year ended 30 June 2017 was charged against this contingent performance fee payable. There are no contingent liabilities as at 30 June 2017.

There are no contingent assets or commitments as at 30 June 2017 and 30 June 2016.

Directors' Declaration

The Directors of the Trustee, Ophir Asset Management Pty Ltd, declare that Ophir Opportunities Fund ("the Fund") is not a reporting entity and that these special purpose financial statements have been prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the Directors of the Trustee:

- (a) the financial statements and notes set out on pages 5 to 18 are drawn up so as to present fairly the financial position of Ophir Opportunities Fund as at 30 June 2017, the results of its operations, changes in equity and its cash flows for the financial year ended on that date in accordance with the accounting policies outlined in Note 2 to the financial statements;
- (b) the financial statements are prepared in accordance with the requirements of the Fund's Constitution; and
- (c) there are reasonable grounds to believe that the Fund 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 Directors of Ophir Asset Management Pty Ltd.



Andrew Mitchell
Director



Steven Ng
Director

Sydney
27 October 2017

Independent Auditor's Report to the Unitholders of Ophir Opportunities Fund

Opinion

We have audited the financial report, being a special purpose financial report, of Ophir Opportunities Fund (the Fund), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Fund as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the Australian Accounting Standards.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to the Notes to the financial statements, which describes the basis of accounting. The financial report is prepared to assist Ophir Asset Management Pty Ltd as the Trustee of the Fund to meet the requirements of the Fund Constitution. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the unitholders of Ophir Opportunities Fund and the directors of the Trustee (the Recipients) and should not be distributed to parties other than the Recipients. A party other than the Recipients accessing this report does so at their own risk and Ernst & Young expressly disclaims all liability to a party other than the Recipients for any costs, loss, damage, injury or other consequence which may arise directly or indirectly from their use of or reliance on this report. Our opinion is not modified in respect of this matter.

The Fund does not prepare an 'annual report' that contains any additional information other than the directors' report.

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

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

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Trustee are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in the Notes to the financial statements is appropriate to meet the requirements of the Fund Constitution and is appropriate to meet the needs of the unitholders. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Fund'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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young

Ernst & Young
Sydney
27 October 2017