

# Ironbark Copper Rock Emerging Markets Opportunities Fund Condensed Interim Financial Report

ARSN 124 220 202

For the period ended 31 December 2016

Responsible Entity: Ironbark Asset Management (Fund Services) Limited  
ABN 63 116 232 154 AFSL 298 626



# Ironbark Copper Rock Emerging Markets Opportunities Fund

ARSN 124 220 202

## Condensed Interim Financial Report - 31 December 2016

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## Directors' report

The directors of Ironbark Asset Management (Fund Services) Limited (the "Responsible Entity"), the Responsible Entity of Ironbark Copper Rock Emerging Markets Opportunities Fund (the "Fund"), present their report together with the condensed interim financial statements of the Fund for the six months ended 31 December 2016 and the review report thereon.

### Responsible Entity

The registered office and principal place of business of the Responsible Entity and the Fund is Level 18, 1 Margaret Street, Sydney, NSW 2000.

### Directors

The following persons held office as directors of the Responsible Entity of the Fund for the period from 1 July 2016 to the date of this report:

B Carpenter  
 A Donald  
 C Larsen

### Principal activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund maintains its investment strategy by investing in emerging market small cap securities listed on recognised global exchanges of countries that are constituents of the MSCI Emerging Small Cap Index in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the interim period.

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

### Review and results of operations

During the interim period, the Fund continued to invest in accordance with target asset allocations as set out in the governing documents of the Fund and the provisions of the Fund's Constitution.

#### Results

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

	<b>Six months ended</b>	
	<b>31 December 2016</b>	31 December 2015
Operating profit/(loss) (\$'000)	<b>(373)</b>	(12,849)
<b>Distribution</b>		
Distribution paid and payable (\$'000)	-	5,297
Distribution (cents per unit)	-	9.9881
<b>Unit price as at 31 December</b>		
Application price (\$)	<b>0.7209</b>	0.7573
Redemption price (\$)	<b>0.7173</b>	0.7542

During the six months ended 31 December 2016, the Fund changed its valuation inputs for listed financial assets and liabilities to last traded prices to be consistent with the inputs used for the calculation of unit prices for applications and redemptions, thus there is no difference between net market value and fair value for the six months ended 31 December 2016. In the prior reporting period, the Fund utilised bid and ask prices for its listed financial assets and liabilities respectively.

## Directors' report (continued)

### Significant changes in the state of affairs

On 15 August 2016, the Responsible Entity announced that it would be appointing Copper Rock Capital Partners ("Copper Rock") as the new Investment Manager. Copper Rock took over the investment management of the Fund effective 30 September 2016.

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

### Events subsequent to reporting date

Since 31 December 2016, the Fund has received significant redemptions totalling \$1,611,082 or 2,222,600 units, which represents a decrease in the Net Asset Value of the Fund at 31 December 2016 of 10.82%.

Other than the above, no other significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the condensed statement of financial position as at 31 December 2016 or on the results and cash flows of the Fund for the six months ended on that date.

### Rounding of amounts to the nearest thousand dollars

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 thousand dollars 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 4 and forms part of the Directors' report for the six months ended 31 December 2016.

This report is made in accordance with a resolution of the directors of the Responsible Entity.



Director

Sydney  
13 March 2017



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

To: the directors of Ironbark Asset Management (Fund Services) Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the six months period ended 31 December 2016 there have been:

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

KPMG

David Kells  
Partner

Sydney

13 March 2017

## Condensed statement of comprehensive income

		Six months ended	
		31 December 2016	31 December 2015
	Notes	\$'000	\$'000
<b>Investment income</b>			
Distribution and dividend income		165	724
Net gains/(losses) on financial instruments held at fair value through profit or loss		(358)	(13,103)
Net foreign exchange gains/(losses)		33	(7)
Other operating income		-	8
<b>Total investment income/(loss)</b>		<u>(160)</u>	<u>(12,378)</u>
<b>Expenses</b>			
Management fees		87	258
Expense recovery fees		24	64
Transaction costs		71	33
Withholding taxes		27	116
Other operating expenses		4	-
<b>Total operating expenses</b>		<u>213</u>	<u>471</u>
<b>Operating profit/(loss)</b>		<u>(373)</u>	<u>(12,849)</u>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders	5	-	(5,297)
<b>(Increase)/decrease in net assets attributable to unitholders</b>			
<b>Total comprehensive income</b>	4	<u>373</u>	<u>18,146</u>

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

## Condensed statement of financial position

		As at	
	Notes	31 December 2016 \$'000	30 June 2016 \$'000
<b>Assets</b>			
Cash and cash equivalents		1,291	865
Receivables	8	116	136
Due from brokers - receivable for securities sold		46	111
Financial assets held at fair value through profit or loss	6	<u>14,686</u>	<u>26,831</u>
<b>Total assets</b>		<u>16,139</u>	<u>27,943</u>
<b>Liabilities</b>			
Payables	9	37	217
Due to brokers - payable for securities purchased		1,199	77
Financial liabilities held at fair value through profit or loss	7	<u>-</u>	<u>304</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u>1,236</u>	<u>598</u>
<b>Net assets attributable to unitholders - liability</b>	4	<u>14,903</u>	<u>27,345</u>

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

### **Condensed statement of changes in equity**

The Fund's net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. As such the Fund has no equity, and no items of changes in equity have been presented for the current or comparative interim period.



## Condensed statement of cash flows

	Six months ended	
	31 December 2016	31 December 2015
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Distributions and dividends received	143	569
Other operating income received	-	9
Management fees paid	(97)	(282)
Expense recovery fees paid	(4)	(64)
Other operating expenses paid	(77)	(33)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>(35)</u>	<u>199</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of financial instruments held at fair value through profit or loss	34,964	38,692
Purchase of financial instruments held at fair value through profit or loss	(22,240)	(13,082)
<b>Net cash inflow/(outflow) from investing activities</b>	<u>12,724</u>	<u>25,610</u>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	477	2,272
Payments for redemptions by unitholders	(12,736)	(21,729)
Distributions paid	-	(5,820)
<b>Net cash inflow/(outflow) from financing activities</b>	<u>(12,259)</u>	<u>(25,277)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>430</b>	<b>532</b>
Cash and cash equivalents at the beginning of the half-year	865	(301)
Effects of foreign currency exchange rate changes on cash and cash equivalents	(4)	-
<b>Cash and cash equivalents at the end of the half-year</b>	<u>1,291</u>	<u>231</u>

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

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## 1 General information

These condensed interim financial statements cover Ironbark Copper Rock Emerging Markets Opportunities Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme and was constituted on 23 February 2007. The Fund will terminate on 22 February 2087 unless terminated earlier in accordance with the provisions of the Fund's Constitution.

The Responsible Entity of the Fund is Ironbark Asset Management (Fund Services) Limited (ABN 63 116 232 154) (AFSL 298626) (the "Responsible Entity"). The Responsible Entity's registered office is Level 18, 1 Margaret Street, Sydney, NSW 2000.

The Fund maintains its investment strategy by investing in emerging market small cap securities listed on recognised global exchanges of countries that are constituents of the MSCI Emerging Small Cap Index in accordance with the provisions of the Fund's Constitution.

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

## 2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2016 and 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*.

These condensed interim financial statements are presented in the Australian dollar.

Prior to 31 December 2016, the quoted market price used for financial assets was the current bid price and the quoted market price for financial liabilities was the current asking price. The Fund changed its fair value inputs to utilise the last traded prices for both financial assets and financial liabilities. This change does not have a material impact on the Fund.

Except for the above, the accounting policies applied in these condensed interim financial statements are the same as those applied to the Fund's financial statements for the year ended 30 June 2016.

### (a) Use of estimates and judgement

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which these estimates are revised if the revisions affect only that period, or in the period of the revisions and future periods if the revisions affect both current and future periods.

### (b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period beginning 1 July 2016 and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

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

## 2 Basis of preparation (continued)

### (b) New standards and interpretations not yet adopted (continued)

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 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 impact the Fund. The Fund has not yet decided when to adopt AASB 9.

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

AASB 15 will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts.

The new standard 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 distributions, dividends 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 the new revenue recognition rules to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements. The Fund has not yet decided when to adopt AASB 15.

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

## 3 Fair value measurement

The Fund measures and recognises the financial assets and liabilities at fair value on a recurring basis.

- Financial assets / liabilities designated at fair value through profit or loss (FVTPL) (see note 6 and note 7)
- Financial assets / liabilities held for trading (see note 6 and note 7)
- Derivative financial instruments

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)

### (i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in note 2 of the annual financial statements.

### 3 Fair value measurement (continued)

*(i) Fair value in an active market (level 1) (continued)*

Prior to 31 December 2016, the quoted market price used for financial assets was the current bid price and the quoted market price for financial liabilities was the current asking price. The Fund changed its fair value inputs to utilise the last traded prices for both financial assets and financial liabilities. This change does not have a material impact on the Fund. When the Fund holds derivatives with offsetting market risks, it uses last traded prices as a basis for establishing fair values for the offsetting risk positions and applies this last traded prices to the net open position, as appropriate.

For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

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

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

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

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

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current credit worthiness of the counterparties. The fair value of a forward contract is determined as the net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

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 including liquidity risk and counterparty risk.

*(iii) Recognised fair value measurements*

The following table presents the Fund's assets and liabilities measured and recognised at fair value as at 31 December 2016 and 30 June 2016.

As at 31 December 2016	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets held for trading:				
Spot currency contracts	-	1	-	1
Financial assets designated at fair value through profit or loss:				
Equity securities	13,122	-	-	13,122
Unit trusts	1,563	-	-	1,563
<b>Total</b>	<b>14,685</b>	<b>1</b>	<b>-</b>	<b>14,686</b>

### 3 Fair value measurement (continued)

(iii) Recognised fair value measurements (continued)

As at 30 June 2016	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets held for trading:				
Forward currency contracts	-	36	-	36
Financial assets designated at fair value through profit or loss:				
Equity securities	26,332	-	355	26,687
Unit trusts	<u>108</u>	<u>-</u>	<u>-</u>	<u>108</u>
<b>Total</b>	<u>26,440</u>	<u>36</u>	<u>355</u>	<u>26,831</u>
<b>Financial liabilities</b>				
Financial liabilities held for trading:				
Forward currency contracts	<u>-</u>	<u>304</u>	<u>-</u>	<u>304</u>
<b>Total</b>	<u>-</u>	<u>304</u>	<u>-</u>	<u>304</u>

The Fund held listed equity securities and listed unit trusts as at 31 December 2016 and 30 June 2016.

(iv) Transfers between levels

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

There have been no transfers between levels in the fair value hierarchy at the end of the reporting period.

(v) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the six months ended 31 December 2016 and 31 December 2015:

<b>As at 31 December 2016</b>	<b>Equity securities \$'000</b>
Opening balance	355
Gains/(losses) recognised in the statement of comprehensive income	<u>(355)</u>
Closing balance	<u>-</u>
As at 31 December 2015	Equity securities \$'000
Opening balance	344
Gains/(losses) recognised in the statement of comprehensive income	<u>19</u>
Closing balance	<u>363</u>

### 3 Fair value measurement (continued)

(v) Fair value measurements using significant unobservable inputs (level 3) (continued)

*Valuation inputs and relationships to fair value*

Investments classified within level 3 include international equity securities that are unlisted or delisted. The valuation technique may use significant unobservable inputs at the underlying asset level. However, the Fund obtains fair value prices from the Investment Manager without significant adjustments and does not calculate any unobservable inputs itself.

(vi) *Valuation processes*

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities.

Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

(vii) *Financial instruments not carried at fair value*

The Fund did not hold any financial instruments which were not measured at fair value in the statement of financial position during the six months ended 31 December 2016 or year ended 30 June 2016. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate their fair value.

### 4 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the six months ended 31 December 2016 were as follows:

	<b>Six months ended</b>			
	<b>31 December 2016</b>	31 December 2015	<b>31 December 2016</b>	31 December 2015
	<b>Units '000</b>	Units '000	<b>\$'000</b>	\$'000
Opening balance	<b>36,851</b>	68,432	<b>27,345</b>	72,184
Applications	<b>641</b>	2,369	<b>477</b>	2,283
Redemptions	<b>(16,790)</b>	(25,769)	<b>(12,546)</b>	(22,479)
Units issued upon reinvestment of distributions	-	2,043	-	1,658
Increase/(decrease) in net assets attributable to unitholders	-	-	<b>(373)</b>	(18,146)
<b>Closing balance</b>	<b>20,702</b>	47,075	<b>14,903</b>	35,500

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

## 5 Distributions to unitholders

	Six months ended		31 December 2015 CPU	31 December 2015 CPU
	31 December 2016 \$'000	31 December 2016 CPU		
Distributions paid	-	-	5,297	9,981
<b>Total distributions</b>	-	-	5,297	9,981

## 6 Financial assets held at fair value through profit or loss

	As at	
	31 December 2016 \$'000	30 June 2016 \$'000
<b>Held for trading</b>		
Derivatives	1	36
Total held for trading	1	36
<b>Designated at fair value through profit or loss</b>		
Equity securities	13,122	26,687
Unit trusts	1,563	108
Total designated at fair value through profit or loss	14,685	26,795
<b>Total financial assets held at fair value through profit or loss</b>	14,686	26,831

## 7 Financial liabilities held at fair value through profit or loss

	As at	
	31 December 2016 \$'000	30 June 2016 \$'000
<b>Held for trading</b>		
Derivatives	-	304
Total held for trading	-	304
<b>Total financial liabilities held at fair value through profit or loss</b>	-	304



## 8 Receivables

	As at	
	31 December 2016	30 June 2016
	\$'000	\$'000
Distribution and dividend receivable	100	122
Other receivables	16	14
<b>Total receivables</b>	<b>116</b>	<b>136</b>

## 9 Payables

	As at	
	31 December 2016	30 June 2016
	\$'000	\$'000
Redemption payable	6	196
Management fees payable	11	21
Expense recovery fees payable	20	-
<b>Total payables</b>	<b>37</b>	<b>217</b>

## 10 Related party transactions

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time, the Fund or its director-related entities may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other Fund investors and are trivial and domestic in nature.

There have been no significant changes to the related party transactions disclosed in the last annual financial report.

## 11 Events occurring after the reporting period

Since 31 December 2016, the Fund has received significant redemptions totalling \$1,611,082 or 2,222,600 units, which represents a decrease in the Net Asset Value of the Fund at 31 December 2016 of 10.82%.

Other than the above, no other 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 condensed statement of financial position as at 31 December 2016 or on the results and cash flows of the Fund for the six months ended on that date.

## 12 Contingent assets and liabilities and commitments


There were no outstanding contingent assets and liabilities or commitments as at 31 December 2016 and 30 June 2016.

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the condensed interim financial statements and notes set out on pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2016 and of its performance for the six months 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.

This declaration is made in accordance with a resolution of the directors for and on behalf of the Responsible Entity.



Director  
Sydney  
13 March 2017



## **Independent auditor's review report to the members of Ironbark Copper Rock Emerging Markets Opportunities Fund**

### **Report on the financial report**

We have reviewed the accompanying condensed interim financial report of Ironbark Copper Rock Emerging Markets Opportunities Fund (the Fund), which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the interim period ended on that date, notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information and the director's declaration.

#### *Directors' responsibility for the financial report*

The directors of Ironbark Asset Management (Fund Services) Limited (the Responsibility Entity) are responsible for the preparation of the condensed interim 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 condensed interim 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 condensed interim 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, we have become aware of any matter that makes us believe that the condensed interim 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 31 December 2016 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Ironbark Copper Rock Emerging Markets Opportunities Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the condensed interim financial report of Ironbark Copper Rock Emerging Markets Opportunities 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 31 December 2016 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

David Kells  
*Partner*

Sydney

13 March 2017

