

# **OC Premium Equity Fund**

ARSN 098 644 976

## **Annual financial statements for the reporting period ended 30 June 2010**

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## Annual financial statements for the reporting period ended 30 June 2010

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These financial statements cover OC Premium Equity Fund as an individual entity.

The responsible entity of OC Premium Equity Fund is Opus Capital Ltd (ABN 22 092 872 056). The responsible entity's registered office is Level 33, 360 Collins Street, Melbourne, VIC 3000.

## Directors' report

The directors of Opis Capital Ltd, the responsible entity of OC Premium Equity Fund, present their report together with the financial statements of OC Premium Equity Fund ("the Scheme") for the year ended 30 June 2010 ("the reporting period").

The Scheme is an Australian registered scheme.

### Principal activities

The Scheme's principal activity during the reporting period was to invest funds in accordance with the provisions of the Scheme's Constitution.

A diversified investment portfolio is maintained to balance the return and risk objectives of the Scheme. In accordance with these investment objectives, the Scheme principally invests in the Australian Stock Exchange listed securities and cash deposits.

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

### Directors

The following persons held office as directors of the responsible entity during the reporting period or since the end of the reporting period and up to the date of this report:

Michael Harold Charles Baillieu  
 Dean Gerald Fergie  
 Sidney Hordern Myer  
 Michael Sidney Hamson  
 Antony Sam Baillieu  
 Robert Beaumont Frost  
 Graham Cunningham

### Review and results of operations

There have been no significant changes to the operations of the Scheme during the reporting period. The Scheme continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

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

	For the year ended	
	30 June 2010	30 June 2009
Profit/(loss) before finance costs attributable to unitholders (\$'000)	<u>7,086</u>	<u>(16,425)</u>
Distribution paid and payable (\$'000)	<u>319</u>	<u>1,229</u>
Distribution (cents per unit - CPU)	<u>1.741</u>	<u>4.890</u>

### Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Scheme that occurred during the reporting period.

### Events occurring after the reporting period

Except as disclosed in note 14 in the financial statements, no other matter or circumstance has arisen since 30 June 2010 that has significantly affected, or may significantly affect:

- (i) the operations of the Scheme in future reporting periods, or
- (ii) the results of those operations in future reporting periods, or
- (iii) the state of affairs of the Scheme in future reporting periods.

## Directors' report (continued)

### Likely developments and expected results of operations

The Scheme will continue to be managed 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's Constitution.

Further information on likely developments in the operations of the Scheme and the expected results of those operations have not been included in this report because the responsible entity believes it would be likely to result in unreasonable prejudice to the Scheme.

### Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of Opis Capital Ltd or the auditors of the Scheme. So long as the officers of Opis Capital Ltd act in accordance with the Scheme's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

### Fees paid to and interests held in the Scheme by the responsible entity or its associates

Fees paid to the responsible entity and its associates out of Scheme property during the reporting period are disclosed in note 12 of the financial statements.

No fees were paid out of Scheme property to the directors of the responsible entity during the reporting period.

The number of interests in the Scheme held by the responsible entity or its associates as at the end of the reporting period are disclosed in note 12 of the financial statements.

### Interests in the Scheme

The movement in units on issue in the Scheme during the reporting period is disclosed in note 6 of the financial statements.

The value of the Scheme's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 of the financial statements.

### Environmental regulation

The operations of the Scheme are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

### Rounding of amounts to the nearest thousand dollars

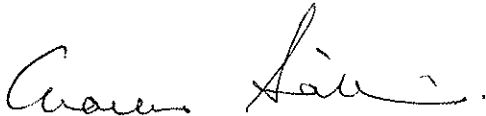
The Scheme is an entity of the kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

**Directors' report (continued)**

**Auditor's independence declaration**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

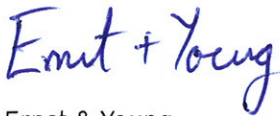
This report is made in accordance with a resolution of the directors.



Michael Harold Charles Baillieu  
Director  
Melbourne  
27 September 2010

## Auditor's Independence Declaration to the Directors of Opis Capital Limited, as Responsible Entity for the OC Premium Equity Fund

In relation to our audit of the financial report of OC Premium Equity Fund for the financial year ended 30 June 2010 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Brett Kallio  
Partner  
27 September 2010

**Statement of comprehensive income**

	Notes	For the year ended	
		30 June 2010 \$'000	30 June 2009 \$'000
<b>Investment income</b>			
Interest income		96	484
Dividend/Trust distribution income	3	778	1,382
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	6,873	(17,567)
Other income		<u>17</u>	<u>13</u>
<b>Total investment income/(loss)</b>		<u>7,764</u>	<u>(15,688)</u>
<b>Expenses</b>			
Responsible entity fees	12	386	452
Custody fees		83	28
Auditor's remuneration	5	27	15
Transaction costs		175	174
Other expenses		<u>7</u>	<u>68</u>
<b>Total expenses</b>		<u>678</u>	<u>737</u>
<b>Profit/(loss) before finance costs attributable to unitholders</b>		<u>7,086</u>	<u>(16,425)</u>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders	7	319	1,229
Increase/(decrease) in net assets attributable to unitholders	6	<u>6,767</u>	<u>(17,654)</u>
<b>Profit/(loss) for the reporting period attributable to unitholders</b>		-	-
Other comprehensive income for the reporting period attributable to unitholders		-	-
<b>Total comprehensive income for the reporting period attributable to unitholders</b>		-	-

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

**Statement of financial position**

		As at	
	Notes	30 June 2010 \$'000	30 June 2009 \$'000
<b>Assets</b>			
Cash and cash equivalents		876	5,816
Receivables	9	58	388
Financial assets held at fair value through profit or loss	8	<u>19,838</u>	<u>15,686</u>
<b>Total assets</b>		<u>20,772</u>	<u>21,890</u>
<b>Liabilities</b>			
Distributions payable	7	133	258
Payables	10	<u>50</u>	<u>237</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u>183</u>	<u>495</u>
<b>Net assets attributable to unitholders - liability</b>	6	<u>20,589</u>	<u>21,395</u>

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

**Statement of changes in equity**

	For the year ended	
	30 June	30 June
	2010	2009
	\$'000	\$'000
Total equity at the beginning of the reporting period	-	-
Profit/(loss) for the reporting period attributable to unitholders	-	-
Other comprehensive income for the reporting period attributable to unitholders	-	-
Total comprehensive income for the reporting period attributable to unitholders	<u>-</u>	<u>-</u>
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the reporting period</b>	<u>-</u>	<u>-</u>

In accordance with AASB 132 *Financial Instruments: Presentation*, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the reporting period.

Changes in net assets attributable to unitholders are disclosed in note 6.

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

## Statement of cash flows

	Notes	For the year ended	
		30 June 2010 \$'000	30 June 2009 \$'000
<b><i>Cash flows from operating activities</i></b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		34,171	33,364
Purchase of financial instruments held at fair value through profit or loss		(31,451)	(24,871)
Dividends and trust distributions received		792	1,472
Interest received		101	491
Other income received		16	13
Other operating expenses		(365)	(685)
Transaction costs on financial instruments held at fair value through profit or loss		(190)	(188)
<b>Net cash inflow/(outflow) from operating activities</b>	13(a)	<u>3,074</u>	<u>9,596</u>
<b><i>Cash flows from financing activities</i></b>			
Proceeds from applications by unitholders		264	592
Payments for redemptions by unitholders		(8,028)	(22,549)
Distributions paid		(249)	(506)
Other cash received/(paid) from financing activities		(1)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<u>(8,014)</u>	<u>(22,463)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(4,940)	(12,867)
Cash and cash equivalents at the beginning of the reporting period		<u>5,816</u>	<u>18,683</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	13(b)	<u>876</u>	<u>5,816</u>

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

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## 1 General information

These financial statements cover OC Premium Equity Fund (the "Scheme") as an individual entity. The Scheme was constituted on 27 November 2000.

The responsible entity of the Scheme is Opis Capital Ltd (the "responsible entity"). The responsible entity's registered office is Level 33, 360 Collins Street, Melbourne, VIC 3000.

The responsible entity is incorporated and domiciled in Australia.

The financial statements are presented in the Australian currency.

The financial statements are for the period from 1 July 2009 to 30 June 2010 ("the reporting period").

The financial statements were authorised for issue by the directors on 27 September 2010. The directors of the responsible entity have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

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

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally 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 within twelve months after the end of the reporting period cannot be reliably determined.

#### *Compliance with International Financial Reporting Standards*

The financial statements of the Scheme comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### **AASB 101 (revised) *Presentation of Financial Statements***

The Scheme has applied the revised standard which became effective from 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Scheme had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

#### **AASB 7 *Improving Disclosures about Financial Instruments (Amendments to AASB 7 Financial Instruments: Disclosures)***

The Scheme has applied the amendment to the standard which became effective from 1 January 2009. The amendment expands the disclosures required in respect of fair value measurements and liquidity risk. The Scheme has elected not to provide comparative information for these expanded disclosures in the current reporting period.

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments

#### (i) Classification

The Scheme's investments are categorised as at fair value through profit or loss. They comprise:

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

These include financial assets that are not held for trading purposes and which may be sold. These may include investments in exchange traded debt and equity instruments, such as listed equities, listed property trusts and cash deposits.

Financial assets and financial 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 Scheme's documented investment strategy. The Scheme's policy is for the responsible entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

The information on the fair value basis is provided internally to the Scheme's key management personnel. In addition, the designation of financial assets and financial liabilities at fair value through profit or loss will reduce any measurement or recognition inconsistencies and any accounting mismatch that would otherwise arise.

- *Loans and receivables/payables comprise amounts due to or from the Scheme.*

#### (ii) Recognition/derecognition

The Scheme 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.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Scheme retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' agreement; or
- the Scheme has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset; or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Any gains or losses arising on derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the reporting period the asset is derecognised as realised gains or losses on financial instruments.

#### (iii) Measurement

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

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

- *Fair value in an active market*

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. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

## 2 Summary of significant accounting policies (continued)

### (c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities due to mandatory distributions. The units can be put back to the Scheme at any time for cash equal to a proportionate share of the Scheme's net asset value. 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 put the units back to the Scheme. Because the Scheme's redemption unit price is based on different valuation principles to that applied in financial reporting, a valuation difference exists, which has been treated as a separate component of net assets attributable to unitholders. Changes in the value of this financial liability are recognised in the statement of comprehensive income as they arise.

### (d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in the statement of financial position.

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

### (e) Investment income

Interest income is recognised in the statement of comprehensive income for all debt instruments using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

Dividend income is recognised on the ex-dividend date.

Trust distributions are recognised on an entitlements basis.

Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend/distribution income. Realised and unrealised gains/(losses) are shown in the notes to the financial statements.

### (f) Expenses

All expenses, including responsible entity's fees and custodian fees, are recognised in the statement of comprehensive income on an accruals basis.

### (g) Income tax

Under current legislation, the Scheme is not subject to income tax as unitholders are presently entitled to the income of the Scheme.

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 Scheme is not subject to capital gains tax.

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

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

## 2 Summary of significant accounting policies (continued)

### (g) Income tax (continued)

The Scheme may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statement of comprehensive income.

### (h) Distributions

In accordance with the Scheme's Constitution, the Scheme distributes its distributable (taxable) income, and any other amounts determined by the responsible entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

### (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.

### (j) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the Scheme's financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme's presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Scheme does not isolate that portion of gains or losses on securities that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

### (k) Receivables

Receivables may include amounts for dividends, trust distributions, interest and securities sold where settlement has not yet occurred. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

### (l) Payables

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

Trades are recorded on trade date, and normally settled within three business days. Purchases of securities and investments that are unsettled at the end of each reporting period are included in payables.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income under the Scheme's Constitution.

## 2 Summary of significant accounting policies (continued)

### (m) Applications and redemptions

Applications received for units in the Scheme are recorded net of any entry fees payable prior to the issue of units in the Scheme. Redemptions from the Scheme are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined in accordance with the Scheme's Constitution by reference to the net assets of the Scheme divided by the number of units on issue.

### (n) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Scheme by third parties such as audit fees, custodial services and investment management fees have been passed onto the Scheme. The Scheme qualifies for Reduced Input Tax Credits (RITC) at a rate of 75%; hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### (o) Use of estimates

Due to the immediate or short term nature of certain other financial instruments (including accrued expenses), the carrying value of these items approximates their fair value.

For the reporting periods ended 30 June 2010 and 30 June 2009, the Scheme did not include financial assets and financial liabilities that were determined using valuation techniques. The fair values of the Scheme's financial assets and liabilities for the reporting periods then ended were determined directly, in full or in part, by reference to quoted prices that were available from various sources, such as exchanges, dealers, brokers, industry groups and pricing services.

### (p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting period and have not yet been applied in the financial statements. The directors' assessment of the impact of these new standards (to the extent relevant to the Scheme) and interpretations is set out below:

(i) *AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 and 139] (effective from 1 July 2010)*

In May 2009 the AASB issued a number of improvements to AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, AASB 8 *Operating Segments*, AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 136 *Impairment of Assets* and AASB 139 *Financial Instruments: Recognition and Measurement*. The Scheme will apply the revised Standards from 1 July 2010. The Scheme does not expect that any adjustments will be necessary as a result of applying the revised rules.

(ii) *AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)*

AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets. The standard is not applicable until 1 January 2013. The current four categories of financial assets, stipulated in AASB 139 *Financial Instruments: Recognition and Measurement*, will be replaced with two measurement categories: fair value and amortised cost. AASB 9 only permits the recognition of fair value gains/(losses) in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains/(losses) on debt investments, for example, will therefore have to be recognised directly in the statement of comprehensive income. The Scheme does not expect any significant impact on the Scheme's financial statements arising from an adoption of the Standard.

## 2 Summary of significant accounting policies (continued)

### (p) New accounting standards and interpretations (continued)

#### (iii) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards (effective from 1 January 2011)*

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective from 1 January 2011. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The amendment will not have any effect on the Scheme's financial statements.

#### (iv) AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* and AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective from 1 July 2010/1 January 2011)*

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Scheme will apply the amendments from 1 July 2010. It does not expect that any adjustments will be necessary as the result of applying the revised rules.

#### (v) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)*

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Scheme has public accountability as defined in AASB 1053 and is therefore not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will have no impact on the financial statements of the Scheme.

### (q) Rounding of amounts

The Scheme is an entity of the kind referred to in Class Order 98/0100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated.

## 3 Dividend/Trust distribution income

	For the year ended	
	30 June 2010 \$'000	30 June 2009 \$'000
Dividends	737	1,287
Trust distributions	41	95
	778	1,382

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

	For the year ended	
	30 June	30 June
	2010	2009
	\$'000	\$'000
Net unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	<u>753</u>	<u>(171)</u>
Net realised gains/(losses) on financial instruments designated at fair value through profit or loss	<u>6,120</u>	<u>(17,396)</u>
<b>Total net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<u><b>6,873</b></u>	<u><b>(17,567)</b></u>

#### 5 Auditor's remuneration

During the reporting period the following fees were paid or payable for services provided by the auditor of the Scheme:

	For the year ended	
	30 June	30 June
	2010	2009
	\$	\$
<b>Ernst &amp; Young Australia</b>		
<i>Audit and other assurance services</i>		
Audit and review of financial statements and other audit work under the Corporations Act 2001	<u>26,581</u>	<u>14,517</u>
<b>Total remuneration for audit and other assurance services</b>	<u><b>26,581</b></u>	<u><b>14,517</b></u>

#### 6 Net assets attributable to unitholders

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

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

	For the year ended			
	30 June	30 June	30 June	30 June
	2010	2009	2010	2009
	No. '000	No. '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>				
Opening balance	22,743	42,412	21,395	60,414
Applications	220	562	264	592
Redemptions	(6,380)	(20,826)	(8,032)	(22,422)
Units issued upon reinvestment of distributions	182	595	195	465
Increase/(decrease) in net assets attributable to unitholders	<u>-</u>	<u>-</u>	<u>6,767</u>	<u>(17,654)</u>
Closing balance	<u>16,765</u>	<u>22,743</u>	<u>20,589</u>	<u>21,395</u>

## 6 Net assets attributable to unitholders (continued)

### Capital risk management

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

Daily applications and redemptions are reviewed relative to the liquidity of the Scheme's underlying assets on a daily basis by the responsible entity. Under the terms of the Scheme's Constitution, the responsible entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

## 7 Distributions to unitholders

The distributions for the reporting period were as follows:

	For the year ended		30 June	
	30 June 2010 \$'000	30 June 2010 CPU	30 June 2009 \$'000	30 June 2009 CPU
<b>Distributions</b>				
31 December - paid	186	0.945	971	3.756
30 June - payable	<u>133</u>	<u>0.796</u>	<u>258</u>	<u>1.134</u>
	<u>319</u>		<u>1,229</u>	

As unitholders are presently entitled to the distributable income of the Scheme, no income tax is payable by the Scheme.

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

	As at	
	30 June 2010 \$'000	30 June 2009 \$'000
<b>Designated at fair value through profit or loss</b>		
Listed Equities	19,838	14,773
Listed Property Trusts	<u>-</u>	<u>913</u>
<b>Total financial assets held at fair value through profit or loss</b>	<u>19,838</u>	<u>15,686</u>

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 11.

## 9 Receivables

	As at	
	30 June 2010 \$'000	30 June 2009 \$'000
Unsettled sales	-	177
Accrued income	31	49
GST receivable	<u>27</u>	<u>162</u>
	<u>58</u>	<u>388</u>

## 10 Payables

	As at	
	30 June 2010 \$'000	30 June 2009 \$'000
Unsettled purchases	-	178
Accrued expenses	31	42
Unsettled redemptions	4	-
Transaction costs on unsettled sales/purchases	-	1
Withholding tax liability	15	16
	50	237

## 11 Financial risk management

### (a) Objectives, strategies, policies and processes

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.

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed. Financial risk management is carried out by an Investment Manager (Investment Manager) under policies approved by the Board of Directors of the responsible entity ("the Board").

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ratings analysis for credit risk.

### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look-through basis for investments held in the Scheme.

The sensitivity of the Scheme's net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Scheme's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

At 30 June 2010, the overall market exposures were as follows:

	As at	
	30 June 2010 \$'000	30 June 2009 \$'000
Securities designated at fair value through profit or loss	19,838	15,686

## 11 Financial risk management (continued)

### (i) Price risk

Price risk is the risk that the fair value of equities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Price risk exposure arises from the Scheme's investment portfolio. The investments 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. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Scheme's overall market positions are monitored on a regular basis by the Scheme's Investment Manager. This information and the compliance with the Scheme's Product Disclosure Statement are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

At 30 June 2010, if the equity prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

	As at 30 June 2010		As at 30 June 2009	
	Increased by 10%	Decreased by 10%	Increased by 10%	Decreased by 10%
Net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	1,983,779	(1,983,779)	1,568,592	(1,568,592)

The analysis is performed on the same basis for 2010 and 2009.

### (ii) Foreign exchange risk

There was no significant direct foreign exchange risk in this Scheme as at 30 June 2010 (2009: Nil).

### (iii) Interest rate risk

There was no significant direct interest rate risk in this Scheme as at 30 June 2010 (2009: Nil).

### (c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises mainly from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Scheme, the Scheme's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the end of the reporting period.

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

The Scheme holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

## 11 Financial risk management (continued)

Counterparty credit limits and the list of authorised brokers are reviewed by the relevant parties within the responsible entity on a regular basis as deemed appropriate.

In accordance with the Scheme's policy, the Investment Manager monitors the Scheme's credit position on a regular basis. This information and the compliance with the Scheme's policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

### (d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Investment Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Concentrations of risk are managed by industry sector for equity instruments.

Based on the concentrations of risk that are managed by industry sector, the following investments can be analysed by the industry sector as at 30 June 2010 and 30 June 2009:

	\$'000
<b>At 30 June 2010</b>	
Industrials	6,204
Consumer Discretionary	4,192
Information Technology	2,674
Financials	1,843
Health Care	1,535
Telecommunication Services	1,337
Energy	1,245
Consumer Staples	448
Materials	360
<b>Total</b>	<b>19,838</b>
	\$'000
<b>At 30 June 2009</b>	
Industrials	4,266
Information Technology	3,108
Financials	2,986
Consumer Discretionary	2,350
Telecommunication Services	1,646
Health Care	1,200
Property Trusts	130
<b>Total</b>	<b>15,686</b>

### (e) 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 is controlled through the Scheme's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Scheme may be exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are traded in active markets and can be readily disposed of.

The Scheme's investments may include listed securities that are considered readily realisable, as they are listed on recognised stock exchanges.

The Scheme may invest in investments in unlisted unit trusts that expose the Scheme to the risk that the Scheme or Investment Manager of those trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Scheme.

## 11 Financial risk management (continued)

The Scheme's policy is to hold a significant proportion of its investments in liquid assets.

Under the terms of its Constitution, the Scheme has the ability to manage liquidity risk by delaying redemptions to unitholders, if necessary, until the funds are available to pay them.

Units are redeemed on demand at the unitholder's option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

In accordance with the Scheme's policy, the Investment Manager monitors the Scheme's liquidity position on a regular basis. This information and the compliance with the Scheme's policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

The table below analyses the Scheme's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month	1-3 months	3-12 months	More than 12 months
<b>At 30 June 2010</b>				
Distributions payable (\$'000)	133	-	-	-
Accrued expenses (\$'000)	31	-	-	-
Unsettled redemptions (\$'000)	4	-	-	-
Withholding tax liability (\$'000)	-	15	-	-
Net assets attributable to unitholders (\$'000)	<u>20,589</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial liabilities</b>	<u>20,757</u>	<u>15</u>	<u>-</u>	<u>-</u>
	Less than 1 month	1-3 months	3-12 months	More than 12 months
<b>At 30 June 2009</b>				
Distributions payable (\$'000)	258	-	-	-
Unsettled purchases (\$'000)	178	-	-	-
Accrued expenses (\$'000)	42	-	-	-
Transaction costs on unsettled sales/purchases (\$'000)	1	-	-	-
Withholding tax liability (\$'000)	16	-	-	-
Net assets attributable to unitholders (\$'000)	<u>21,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial liabilities</b>	<u>21,890</u>	<u>-</u>	<u>-</u>	<u>-</u>

As disclosed above, the Scheme manages its liquidity risk by investing predominantly in liquid assets that it expects to be able to liquidate within 7 days or less. Liquid assets include cash and cash equivalents, listed equities and listed property trusts. As at 30 June 2010, these assets amounted to \$20,714,499 (2009: \$21,502,148).

The Scheme has very diverse funding sources.

## 11 Financial risk management (continued)

### (f) Estimation of fair values of financial assets and financial liabilities

The carrying amounts of all the Scheme's financial assets and financial liabilities at the end of the reporting period approximated their fair values.

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

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

As a result of events in global markets in the past reporting period and the comparative period, liquidity in some investment markets decreased significantly. As a result, the volume of trading in some of the investments held by the Scheme decreased significantly, and accordingly the valuation of those investments is subject to a greater uncertainty and requires greater judgement than would be the case in normal investment market conditions.

### (g) Fair value hierarchy

The Scheme is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

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

The table below sets out the Scheme's financial assets (by class) measured at fair value according to the fair value hierarchy at 30 June 2010. The Scheme has elected not to provide comparative information in the current reporting period.

As at 30 June 2010	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss				
Listed Equities	19,838	-	-	19,838
<b>Total</b>	<b>19,838</b>	<b>-</b>	<b>-</b>	<b>19,838</b>

The pricing for the majority of the Scheme's investments is generally sourced from independent pricing sources, the relevant Investment Managers or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets, e.g. recognised stock exchanges, and therefore classified within level 1, include active listed equities.

## 12 Related party transactions

### Responsible entity

The responsible entity of OC Premium Equity Fund is Opis Capital Ltd (ABN 22 092 872 056).

### Key management personnel

#### Directors

Key management personnel includes persons who were directors of Opis Capital Ltd at any time during the reporting period as follows:

Michael Harold Charles Baillieu  
Dean Gerald Fergie  
Sidney Hordern Myer  
Michael Sidney Hamson  
Antony Sam Baillieu  
Robert Beaumont Frost  
Graham Cunningham

### Key management personnel compensation

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

### Key management personnel loan disclosures

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.

### Other transactions within the Scheme

From time to time directors of Opis Capital Ltd, or their director related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors and are trivial in nature.

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

## 12 Related party transactions (continued)

### Related party Schemes' unitholdings

Parties related to the Scheme (including Opis Capital Ltd, its related parties and other schemes managed by Opis Capital Ltd), held units in the Scheme as follows:

30 June 2010

Unitholder	Interest held (%)	Number of units held opening (Units)	Number of units acquired (Units)	Number of units disposed (Units)	Number of units held closing (Units)	Distributions paid/payable by the Scheme (\$)
Opis Capital Ltd	0.22	36,446	696	-	37,142	644

30 June 2009

Unitholder	Interest held (%)	Number of units held opening (Units)	Number of units acquired (Units)	Number of units disposed (Units)	Number of units held closing (Units)	Distributions paid/payable by the Scheme (\$)
Opis Capital Ltd	0.16	1,118,446	-	1,082,000	36,446	1,782

### Responsible entity's fees and other transactions

Under the terms of the Scheme's Constitution, the responsible entity is entitled to receive management fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Scheme as follows:

	As at	
	30 June 2010	30 June 2009
	\$	\$
Responsible entity's fees for the reporting period charged to the Scheme by the responsible entity	<u>385,502</u>	<u>451,975</u>
Aggregate amounts payable to the responsible entity at the end of the reporting period	<u>29,110</u>	<u>29,639</u>

### Investing activities

The Scheme did not hold any investments in Opis Capital Ltd or its affiliates during the reporting period.

### Unitholder investing activities

At the end of the reporting period there were no holdings in the Scheme by other schemes for which Opis Capital Ltd is the responsible entity.

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

	For the year ended	
	30 June 2010 \$'000	30 June 2009 \$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the reporting period attributable to unitholders	-	-
Increase/(decrease) in net assets attributable to unitholders	6,767	(17,654)
Proceeds from sale of financial instruments held at fair value through profit or loss (including net realised gains/(losses))	34,171	33,364
Purchase of financial instruments held at fair value through profit or loss	(31,451)	(24,871)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(6,873)	17,567
Net change in receivables and other assets	153	60
Net change in payables and other liabilities	(12)	(99)
Distribution to unitholders	319	1,229
<b>Net cash inflow/(outflow) from operating activities</b>	<u>3,074</u>	<u>9,596</u>
<b>(b) Components of cash and cash equivalents</b>		
Cash as at the end of the reporting period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash and cash equivalents	<u>876</u>	<u>5,816</u>
	<u>876</u>	<u>5,816</u>
<b>(c) Non-cash financing activities</b>		
During the reporting period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan		
	<u>195</u>	<u>465</u>
	<u>195</u>	<u>465</u>

### 14 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 Scheme disclosed in the statement of financial position as at 30 June 2010 or on the results and cash flows of the Scheme for the reporting period ended on that date.

### 15 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2010 and 30 June 2009.

## Directors' declaration

In the opinion of the directors of the responsible entity:

- (a) the financial statements and notes set out on pages 6 to 26 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Scheme's financial position as at 30 June 2010 and of its performance, as represented by the results of its operations and cash flows, for the reporting period ended on that date; and
- (b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.
- (c) the financial statements are in accordance with the Scheme's Constitution.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Michael Harold Charles Baillieu  
Director

Melbourne  
27 September 2010

## Independent auditor's report to the unitholders of OC Premium Equity Fund

### Report on the Financial Report

We have audited the accompanying financial report of OC Premium Equity Fund ("The Fund") which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

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

The directors of Opis Capital Limited, as Responsible Entity of the Fund are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and the provisions of the Fund's constitution. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(a), the directors of the Responsible Entity also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors<sup>2</sup>, as well as evaluating the overall presentation of the financial report.

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

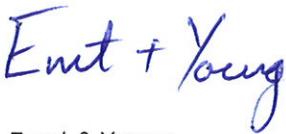
### *Independence*

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. The Auditor's Independence Declaration would have been expressed in the same terms if it had been given to the directors at the date this auditor's report was signed.

### **Auditor's Opinion**

In our opinion:

1. the financial report of OC Premium Equity Fund is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of OC Premium Equity Fund at 30 June 2010 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.
3. the financial report also complies with the provisions of the Fund's constitution.



Ernst & Young



Brett Kallio  
Partner  
Melbourne  
27 September 2010