

# **Ausbil Investment Trusts - Australian Active Equity Fund**

ARSN 089 996 127

## **Interim financial report for the half-year ended 31 December 2009**

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This interim report does not include all the notes of the type normally included in a set of annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2009 and any public announcements made in respect of Ausbil Investment Trusts - Australian Active Equity Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim financial report covers Ausbil Investment Trusts - Australian Active Equity Fund as a consolidated entity consisting of Ausbil Investment Trusts - Australian Active Equity Fund and its controlled entities.

The Responsible Entity of Ausbil Investment Trust Active Equity Fund is Ausbil Dexia Limited (ABN 26 076 316 473). The responsible entity's registered office is Level 23, 207 Kent Street, Sydney New South Wales, 2000 .

## Directors' report

The directors of Ausbil Dexia Limited, the Responsible Entity of Ausbil Investment Trusts - Australian Active Equity Fund ("the Scheme"), present their report together with the interim financial report of Ausbil Investment Trusts - Australian Active Equity Fund and its controlled entities (collectively, "the Consolidated Entity") for the half-year ended 31 December 2009 ("the reporting period").

### Responsible entity

The Responsible Entity of Ausbil Investment Trusts - Australian Active Equity Fund is Ausbil Dexia Limited (ABN 26 076 316473). The Responsible Entity's registered office is Level 23, 207 Kent Street, Sydney NSW, 2000.

### Directors

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

P Xiradis  
T de Villenfagne  
A Lancaster  
J Grace  
W Vermeir  
N Abou-Jaoudé  
M Vanderelst

### Review and results of operations

There have been no significant changes to the operations of the Consolidated Entity since the previous financial period. The Consolidated Entity 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 Consolidated Entity, as represented by the results of its operations, was as follows:

	<b>Consolidated</b>	
	<b>For the half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2009</b>	<b>2008</b>
Profit/(loss) before finance costs attributable to unitholders (\$'000)	<b>684,022</b>	(606,266)
Distribution paid and payable to unitholders of the parent entity (\$'000)	<b>52,181</b>	38,975
Distribution (cents per unit)	<b>4.9472</b>	4.4477

### Rounding of amounts to the nearest thousand dollars

The Consolidated Entity 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 and financial report. Amounts in the directors' report and financial 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 4.

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



P Xiradis  
Director

Sydney  
2 March 2010

PricewaterhouseCoopers  
ABN 52 780 433 757

Darling Park Tower 2  
201 Sussex Street  
GPO BOX 2650  
SYDNEY NSW 1171  
DX 77 Sydney  
Australia  
Telephone +61 2 8266 0000  
Facsimile +61 2 8266 9999  
[www.pwc.com/au](http://www.pwc.com/au)

### Auditor's Independence Declaration

As lead auditor for the review of Ausbil Investment Trusts – Australian Active Equity Fund for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Ausbil Investment Trusts – Australian Active Equity Fund and the entities it controlled during the period.



Rob Spring  
Partner  
PricewaterhouseCoopers

Sydney  
2 March 2010

**Condensed consolidated statement of comprehensive income**

	<b>Consolidated</b>	
	<b>For the half-year ended</b>	
Notes	<b>31 December 2009 \$'000</b>	<b>31 December 2008 \$'000</b>
<b><i>Investment income</i></b>		
Interest income from financial assets not held at fair value through profit or loss	353	2,332
Dividend income	49,700	52,004
Trust distributions	2,962	4,646
Net gains/(losses) on financial instruments held at fair value through profit or loss	645,599	(653,558)
Other operating income	744	92
<b>Total investment income/(loss)</b>	<b>699,358</b>	<b>(594,484)</b>
<b><i>Expenses</i></b>		
Manager's fees	12,504	9,659
Transaction costs	2,832	2,123
<b>Total expenses</b>	<b>15,336</b>	<b>11,782</b>
<b>Profit/(loss) for the reporting period before finance costs attributable to unitholders</b>	<b>684,022</b>	<b>(606,266)</b>
<b><i>Finance costs attributable to unitholders</i></b>		
Distributions to unitholders of the parent entity	3 52,181	38,975
Distributions to non-controlling interests	2,781	1,205
Increase/(decrease) in net assets attributable to unitholders of the parent entity	2 631,530	(630,580)
Increase/(decrease) in net assets attributable to non-controlling interests	(2,470)	(15,866)
<b>Total comprehensive income for the reporting period attributable to unitholders</b>	<b>-</b>	<b>-</b>

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

**Condensed consolidated statement of financial position**

		As at Consolidated	
	Notes	31 December 2009 \$'000	30 June 2009 \$'000
<b>Assets</b>			
Cash and cash equivalents		32,903	38,162
Receivables		18,253	36,688
Financial assets held at fair value through profit or loss	4	3,271,817	2,283,038
<b>Total assets</b>		<b>3,322,973</b>	<b>2,357,888</b>
<b>Liabilities</b>			
Distributions payable	3	54,962	45,967
Payables		32,088	60,614
Net assets attributable to non-controlling interests		133,817	63,295
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>220,867</b>	<b>169,876</b>
<b>Net assets attributable to unitholders - liability</b>	2	<b>3,102,106</b>	<b>2,188,012</b>

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

**Condensed consolidated statement of changes in equity**

	Consolidated	
	For the half-year ended 31 December 2009 \$'000	31 December 2008 \$'000
<b>Total equity at the beginning of the reporting period</b>	-	-
Profit/(loss) for the reporting period attributable to unitholders of the parent entity	-	-
Other comprehensive income for the reporting period attributable to unitholders of the parent entity	-	-
Total comprehensive income for the reporting period attributable to unitholders of the parent entity	-	-
Profit/(loss) for the reporting period attributable to non-controlling interests	-	-
Other comprehensive income for the reporting period attributable to non-controlling interests	-	-
Total comprehensive income for the reporting period attributable to non-controlling interests	-	-
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the reporting period</b>	-	-

In accordance with AASB 132 *Financial Instruments: Presentation*, net assets attributable to unitholders is 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 of the parent entity are disclosed in note 2.

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

**Condensed consolidated statement of cash flows**

	<b>Consolidated</b>	
	<b>For the half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Cash flows from operating activities</i></b>		
Proceeds from sale of financial assets held at fair value through profit or loss	669,102	658,195
Purchase of financial assets held at fair value through profit or loss	(1,038,376)	(856,746)
Transaction costs on financial assets held at fair value through profit or loss	(3,035)	(2,329)
Dividends received	63,273	64,277
Interest received	353	2,332
Trust distributions received	2,357	3,573
Other income received	744	92
Management fees paid	(12,681)	(10,784)
RITC received	1,032	952
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(317,231)</b>	<b>(140,438)</b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from applications by unitholders	553,728	442,978
Payments for redemptions by unitholders	(207,492)	(267,388)
Distributions paid	(34,264)	(19,804)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>311,972</b>	<b>155,786</b>
<b>Net increase in cash and cash equivalents</b>	(5,259)	15,348
Cash and cash equivalents at the beginning of the reporting period	38,162	68,999
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>32,903</b>	<b>84,347</b>

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

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## 1 Summary of significant accounting policies

### (a) Basis of preparation of interim financial report

This general purpose interim financial report for the half-year ended 31 December 2009 ("the reporting period") has been prepared in accordance with *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2009 and any public announcements made in respect of Ausbil Investment Trusts - Australian Active Equity Fund during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### Segment reporting

The Consolidated Entity has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

The information being reported is based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Consolidated Entity is organised into one main segment which operates solely in the business of investment management within Australia. Consequently, no detailed segment reporting is provided in the Consolidated Entity's financial statements.

### (b) Principles of consolidation

The condensed consolidated financial statements incorporate the assets and liabilities of Ausbil Investment Trust - Australian Active Equity Fund ("the Scheme") and its controlled entities as at 31 December 2009 and their results for the reporting period then ended.

Controlled entities are all those entities (including special purpose entities if any) over which the Consolidated Entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity.

Controlled entities are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of controlled entities by the Consolidated Entity.

All transactions (including gains and losses) and balances between entities in the consolidated group are eliminated. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interests in the results and net assets of controlled entities are shown separately in the condensed consolidated statement of comprehensive income and condensed consolidated statement of financial position respectively.

## 2 Net assets attributable to unitholders of the parent entity

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

	Consolidated			
	31 December 2009	For the half-year ended		31 December 2008
	No. '000	31 December 2008 No. '000	31 December 2009 \$'000	31 December 2008 \$'000
Opening balance	942,050	808,352	2,188,012	1,877,262
Applications	182,662	163,227	499,507	415,532
Redemptions	(74,319)	(97,457)	(204,212)	(242,838)
Units issued upon reinvestment of distributions	4,363	2,173	10,165	6,406
Increase/(decrease) in net assets attributable to unitholders of the parent entity	-	-	608,634	(656,149)
Closing balance	<u>1,054,756</u>	<u>876,295</u>	<u>3,102,106</u>	<u>1,400,213</u>

## 3 Distributions to unitholders of the parent entity

	Consolidated			
	31 December 2009	For the half-year ended		31 December 2008
	\$'000	31 December 2009 CPU	31 December 2008 \$'000	31 December 2008 CPU
<b>Distributions</b>				
31 December payable	<u>52,181</u>	<u>4.9472</u>	<u>38,975</u>	<u>4.4477</u>

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

	Consolidated	
	As at	
	31 December 2009 \$'000	30 June 2009 \$'000
Designated at fair value through profit or loss		
Listed equities	3,091,573	2,086,067
Listed unit trusts	180,244	196,971
Total designated at fair value through profit or loss	<u>3,271,817</u>	<u>2,283,038</u>
Total financial assets held at fair value through profit or loss	<u>3,271,817</u>	<u>2,283,038</u>

## 5 Segment reporting

### Business segments

The Consolidated Entity is organised into one main segment which operates solely in the business of investment management within Australia.

### Geographical segments

The Consolidated Entity operates in Australia and all directly held assets are predominantly Australian. Some of these may themselves hold overseas assets.

## **6 Events occurring after the reporting period**

No significant events have occurred since the reporting date which would impact on the financial position of the Consolidated Entity disclosed in the condensed consolidated statement of financial position as at 31 December 2009 or on the results and cash flows of the Consolidated Entity for the reporting period ended on that date.

## **7 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2009 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 5 to 12 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 and the Consolidated Entity's financial position as at 31 December 2009 and of its performance, for the financial 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.

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



P Xiradis  
Director

Sydney  
2 March 2010

**Independent auditor's review report to the members of  
Ausbil Investment Trusts – Australian Active Equity Fund**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Ausbil Investment Trusts - Australian Active Equity Fund (the consolidated entity), which comprises the condensed consolidated statement of financial position as at 31 December 2009, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Ausbil Investment Trusts – Australian Active Equity Fund (the consolidated entity). The consolidated entity comprises both Ausbil Investment Trusts – Australian Active Equity Fund (the scheme) and the entities it controlled during that half-year.

*Directors' responsibility for the half-year financial report*

The directors of Ausbil Dexia Limited (the responsible entity) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

*Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ausbil Investment Trusts – Australian Active Equity Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

**Independent auditor's review report to the members of  
Ausbil Investment Trusts – Australian Active Equity Fund (continued)**

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

*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 half-year financial report of Ausbil Investment Trusts – Australian Active Equity Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



Rob Spring  
Partner

Sydney  
2 March 2010