

BAO Trust
Interim condensed financial report
For the half year ended
31 December 2018

BAO Trust

ARSN 160 276 559

Table of Contents

BAO Trust

For the half year ended 31 December 2018

	Page
Directory	3
Directors' Report	4
Auditor's Independence Declaration	6
Financial Statements	7
Interim Condensed Statement of Profit or Loss and Other Comprehensive Income.....	7
Interim Condensed Statement of Financial Position.....	8
Interim Condensed Statement of Changes in Equity	9
Interim Condensed Statement of Cash Flows	10
Notes to the Interim Condensed Financial Statements	11
1 Reporting entity	11
2 Significant accounting policies	11
3 Estimates.....	11
4 Distributions and returns of capital	12
5 Other expenses	12
6 Investments	12
7 Units on issue	13
8 Financial instruments	13
9 Related parties.....	14
10 Contingent liabilities and assets.....	14
11 Events subsequent to the reporting date.....	14
Directors' Declaration	15
Independent Auditor's Review Report	16

Directory

BAO Trust

For the half year ended 31 December 2018

Responsible Entity

Brookfield Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9158 5100
Facsimile: +61 2 9322 2001

Directors of Brookfield Capital Management Limited

F. Allan McDonald
Barbara Ward
Shane Ross

Company Secretary of Brookfield Capital Management Limited

Men Chiang

Registered Office of Brookfield Capital Management Limited

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9158 5100
Facsimile: +61 2 9322 2001

Custodian

Brookfield Funds Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9158 5100
Facsimile: +61 2 9322 2001

Location of Share Registry

Boardroom (Victoria) Pty Limited
Level 7, 333 Collins Street
Melbourne VIC 3000

All correspondence to:

GPO Box 3993
Sydney NSW 2001
Telephone: 1300 737 760
Facsimile: 1300 653 459
International
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
www.boardroomlimited.com.au

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000
Telephone: + 61 2 9322 7000

Directors' Report

BAO Trust

4

For the half year ended 31 December 2018

Introduction

The Directors of Brookfield Capital Management Limited (BCML) (ABN 32 094 936 866), the Responsible Entity of BAO Trust (ARSN 160 276 559) (Fund), present their report together with the interim condensed financial statements of BAO Trust (Fund) for the half year ended 31 December 2018 and the Independent Auditor's Review Report thereon.

The Fund was constituted on 6 May 2009. The Fund was registered as a managed investment scheme on 19 September 2012.

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited (BCML). The registered office and principal place of business of the Responsible Entity is Level 22, 135 King Street, Sydney NSW 2000.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the financial period:

Name	Capacity
F. Allan McDonald	Non-Executive Independent Chairman
Barbara Ward	Non-Executive Independent Director
Shane Ross	Executive Director

Principal activities

The principal activity of the Fund is the investment in unlisted property securities.

Review of operations

The Fund has recorded a net loss of \$31,887 for the half year ended 31 December 2018 (half year ended 31 December 2017 restated net profit: \$226,559).

Some of the significant events during the period are as follows:

- total revenue and other income of \$14,631 (2017 restated: \$311,940);
- net assets of \$739,893 or \$0.001 per unit (30 June 2018: \$771,780 or \$0.001);and
- unlisted security portfolio value of \$395,178 (30 June 2018: \$382,428).

The strategy of the Fund is to provide periodic income to unitholders, to maximise the capital value of its assets and, when appropriate, to realise those assets in order to return cash to unitholders.

On 6 August 2018, The Fund disposed of its holding in APN Champion Retails Fund and Rubicon Europe Trust Group to a third party. The investments have been held at nil value prior to disposal.

On 10 September 2018, the Fund changed its custodian from JP Morgan Chase Bank N.A. to Brookfield Funds Management Limited.

Distributions and returns of capital

No distributions or returns of capital were declared during the half year ended 31 December 2018.

The following distribution was declared and paid to unitholders during the half year ended 31 December 2017.

	Cents per unit	Total amount \$	Date of payment
Ordinary unitholders			
September 2017 distribution	0.1200	973,733	22 September 2017
Total distributions and returns of capital for the half year ended 31 December 2017	0.1200	973,733	

Directors' Report continued

BAO Trust

5

For the half year ended 31 December 2018

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 31 December 2018.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

Dated at Sydney this 26th day of February 2019.



Shane Ross

Director

Brookfield Capital Management Limited

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
Brookfield Capital Management Limited
(as Responsible Entity for BAO Trust)
Level 22, 135 King St
SYDNEY NSW 2000

26 February 2019

Dear Directors

BAO Trust

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Brookfield Capital Management Limited as the Responsible Entity of BAO Trust.

As lead audit partner for the review of the financial statements of BAO Trust for the half year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants

Interim Condensed Statement of Profit or Loss and Other Comprehensive Income

7

BAO Trust

For the half year ended 31 December 2018

	Note	Half year ended 31 December 2018 \$	Half year ended 31 December 2017 (Restated)* \$
Revenue and other income			
Distribution income from unlisted property trusts		–	103,812
Gain on disposal of unlisted property trusts		–	–
Interest income		1,881	1,478
Unrealised fair value gain on investments		12,750	206,650
Total revenue and other income		14,631	311,940
Expenses			
Share of net loss of investments accounted for using the equity method		–	18,989
Management fees		–	6,018
Other expenses	5	46,518	60,374
Total expenses		46,518	85,381
Net (loss)/profit for the period		(31,887)	226,559
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Change in reserves of investment accounted for using the equity method		–	(40,468)
Other comprehensive loss for the period		–	(40,468)
Total comprehensive (loss)/income for the period		(31,887)	186,091

* The comparative information has been restated as a result of the initial application of AASB 9 *Financial Instruments* as disclosed in Note 2.

The Interim Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Interim Condensed Financial Statements.

Interim Condensed Statement of Financial Position

8

BAO Trust

As at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 (Restated)* \$
Assets			
Current assets			
Cash and cash equivalents		367,768	433,555
Trade and other receivables		365	1,758
Investments	6	76,427	76,427
Total current assets		444,560	511,740
Non-current assets			
Investments	6	318,751	306,001
Total non-current assets		318,751	306,001
Total assets		763,311	817,741
Liabilities			
Current liabilities			
Trade and other payables		23,418	45,961
Total current liabilities		23,418	45,961
Total liabilities		23,418	45,961
Net assets		739,893	771,780
Equity			
Units on issue	7	8,209,957	8,209,957
Undistributed losses		(7,470,064)	(7,438,177)
Total equity		739,893	771,780

* The comparative information has been restated as a result of the initial application of AASB 9 *Financial Instruments* as disclosed in Note 2.
The Interim Condensed Statement of Financial Position should be read in conjunction with the Notes to the Interim Condensed Financial Statements.

Interim Condensed Statement of Changes in Equity

BAO Trust

For the half year ended 31 December 2018

	Attributable to unitholders of the Fund			Total \$
	Ordinary units \$	Undistributed profits/(losses) \$	Reserves \$	
Opening equity - 1 July 2018	8,209,957	(7,820,605)	382,428	771,780
Change in accounting policy	–	382,428	(382,428)	–
Opening equity – 1 July 2018 (restated)	8,209,957	(7,438,177)	–	771,780
Other comprehensive profit for the period	–	–	–	–
Net loss for the period	–	(31,887)	–	(31,887)
Total comprehensive loss for the period	–	(31,887)	–	(31,887)
Closing equity - 31 December 2018	8,209,957	(7,470,064)	–	739,893

	Attributable to unitholders of the Fund			Total \$
	Ordinary units \$	Undistributed profits/(losses) \$	Reserves \$	
Opening equity - 1 July 2017	12,334,123	(13,295,998)	5,722,134	4,760,259
Change in accounting policy	–	996,095	(996,095)	–
Opening equity – 1 July 2017 (restated)*	12,334,123	(12,299,903)	4,726,039	4,760,259
Change in reserves of investment accounted for using the equity method	–	–	(40,468)	(40,468)
Other comprehensive loss for the period	–	–	(40,468)	(40,468)
Net profit for the period	–	226,559	–	226,559
Total comprehensive income for the period	–	226,559	(40,468)	186,091
Transactions with unitholders in their capacity as unitholders:				
Return of capital	(973,733)	–	–	(973,733)
Total transactions with unitholders in their capacity as unitholders	(973,733)	–	–	(973,733)
Closing equity - 31 December 2017	11,360,390	(12,073,344)	4,685,571	3,972,617

* The comparative information has been restated as a result of the initial application of AASB 9 *Financial Instruments* as disclosed in Note 2.

The Interim Condensed Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Condensed Financial Statements.

Interim Condensed Statement of Cash Flows

BAO Trust

10

For the half year ended 31 December 2018

	Half year ended 31 December 2018 \$	Half year ended 31 December 2017 \$
Cash flows from operating activities		
Cash receipts in the course of operations	–	103,812
Cash payments in the course of operations	(67,660)	(73,635)
Interest received	1,873	1,593
Net cash flows from operating activities	(65,787)	31,770
Cash flows from investing activities		
Proceeds from distributions and returns of capital on equity accounted investment	–	877,814
Net cash flows from investing activities	–	877,814
Cash flows from financing activities		
Distributions and returns of capital paid to unitholders	–	(973,733)
Net cash flows used in financing activities	–	(973,733)
Net decrease in cash and cash equivalents	(65,787)	(64,149)
Cash and cash equivalents at the beginning of the period	433,555	295,914
Cash and cash equivalents at 31 December	367,768	231,765

The Interim Condensed Statement of Cash Flows should be read in conjunction with the Notes to the Interim Condensed Financial Statements.

Notes to the Interim Condensed Financial Statements

BAO Trust

11

For the half year ended 31 December 2018

1 Reporting entity

BAO Trust (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia.

Following the wind-up and cancellation of units of Multiplex New Zealand Property Fund (MNZPF) on 20 June 2018, the Fund ceased consolidating its interest in MNZPF as an associate. The interim condensed financial statements as at and for the six months ended 31 December 2018 comprise the Fund's standalone results.

2 Significant accounting policies

Statement of compliance

The interim condensed financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* (AASB 134). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The interim condensed financial report does not include notes of the type normally included in annual financial statements and should be read in conjunction with the most recent annual financial statements of the Fund as at and for the year ended 30 June 2018.

Basis of preparation

The interim condensed financial report is presented in Australian dollars, which is the Fund's presentation and functional currency.

The accounting policies and methods of computation adopted in the preparation of the interim condensed financial report are consistent with those adopted and disclosed in the consolidated financial report as at and for the year ended 30 June 2018, except for the following:

- The Fund has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018. There are no adjustments required in the opening balance of retained earnings.
- The Fund has adopted AASB 9 *Financial Instruments* (AASB 9) from 1 July 2018. In accordance with the transition provisions of AASB 9, the Fund has adopted modified retrospective transition approach. The Fund's investments in equity instruments were classified as available-for-sale investment with fair value through other comprehensive income (FVOCI), directly to reserves. On implementation of AASB 9, the investments are classified as fair value through profit or loss (FVTPL). Accordingly, the previously stated \$996,065 closing balance of available-for-sale reserve as at 30 June 2017 was transferred to retained earnings and the profit or loss increased by \$206,650 for the comparative period ended 31 December 2017. The \$382,428 opening balance of available-for-sale reserve as at 1 July 2018 was transferred to opening retained earnings. The unrealised fair value movement on investments was recognised directly into Profit or Loss.

Going concern

The financial statements have been prepared on a going concern basis which assumes the Fund will be able to realise its assets and discharge its liabilities in the normal course of business.

It is not intended that the Fund will make any further investments. Net income earned from the Fund's assets will be distributed on a periodic basis. The capital value of the assets will be maximised and, when appropriate, realised in order to return cash to unitholders. Timing of this realisation will be governed by the terms of the underlying assets and the market for the assets.

Based on the above, the Directors of the Responsible Entity believe it is appropriate to adopt the going concern basis for this set of interim condensed financial statements. The interim condensed financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Fund not continue as a going concern.

3 Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are provided in investments (Note 6).

Notes to the Interim Condensed Financial Statements continued

BAO Trust

12

For the half year ended 31 December 2018

4 Distributions and returns of capital

No distributions or returns of capital were declared during the half year ended 31 December 2018.

The following distribution was declared and paid to unitholders during the half year ended 31 December 2017.

	Cents per unit	Total amount \$	Date of payment
Ordinary unitholders			
September 2017 distribution	0.1200	973,733	22 September 2017
Total distributions and returns of capital for the half year ended 31 December 2017	0.1200	973,733	

5 Other expenses

	Half year ended 31 December 2018 \$	Half year ended 31 December 2018 \$
Share registry fees	27,423	31,306
Professional service fees	16,670	28,067
Other fees	2,425	1,001
Total other expenses	46,518	60,374

6 Investments

	31 December 2018 \$	30 June 2018 \$
Current Unlisted investments		
Carrying amount as at beginning of period	76,427	–
Carrying value at the beginning of the year of investment transferred from non-current to current	–	91,340
Movement due to transfers, disposals and returns of capital	–	–
Changes in fair value	–	(14,913)
Total investments – Current	76,427	76,427
Non-current Unlisted investment		
Carrying amount as at beginning of period	306,001	2,570,098
Carrying value at the beginning of the year of investment transferred from non-current to current	–	(91,340)
Movement due to transfers, disposals and returns of capital	–	(2,382,203)
Changes in fair value	12,750	209,446
Total investments – Non-current	318,751	306,001
Total investments	395,178	382,428

Investment in unlisted property securities

On 6 August 2018, the Fund disposed of its holdings in APN Champion Retails Fund and Rubicon Europe Trust Group to a third party. The investments have been held at nil value prior to disposal. There is no gain or loss from disposal.

Consistent with 30 June 2018, the Fund has generally valued its investments in each of the underlying unlisted property securities funds based on the net asset value provided as at 31 December 2018, or where this has not been provided, the latest available net asset value. In circumstances where the latest available net asset value has not been obtained or considered representative of fair value, an assessment of the appropriateness of the value has been made based on knowledge of valuation and transactional movements in the underlying investment's structure as compared to similar portfolios and/or other publicly available information. Although the Directors of the Responsible Entity consider this value to represent fair value as at the reporting date, uncertainty exists as to the likely unit price of each of the unlisted property securities funds when these funds re-commence acceptance of redemptions.

Notes to the Interim Condensed Financial Statements continued

BAO Trust

13

For the half year ended 31 December 2018

7 Units on issue

	Half year ended 31 December 2018 \$	Half year ended 31 December 2018 units	Year ended 30 June 2018 \$	Year ended 30 June 2018 Units
Ordinary units				
Opening balance	8,209,957	811,443,720	12,334,123	811,443,720
Returns of capital	–	–	(4,124,166)	–
Closing balance	8,209,957	811,443,720	8,209,957	811,443,720

In accordance with the Fund Constitution, each unitholder is entitled to receive distributions as declared from time to time by the Responsible Entity and is entitled to one vote at unitholder meetings. In accordance with the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to an interest in a particular part of the Fund.

8 Financial instruments

A number of the Fund's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Cash and cash equivalents and trade and other receivables

Fair value, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Investments

Fair value for unlisted investments is calculated based on the latest available net asset values. Refer to Investments (Note 6) for further details.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values versus carrying amounts

The Fund is required to disclose fair value measurements by level of the following fair value measurement 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 (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Fund's financial assets and liabilities measured and recognised at fair value. The carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to reasonably approximate their fair values due to their short-term nature. Accordingly, fair value disclosures are not provided for such assets and liabilities.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2018				
Assets				
Investments				
– Unlisted investments	–	–	395,178	395,178
Total assets	–	–	395,178	395,178
30 June 2018				
Assets				
Investments				
– Unlisted investments	–	–	382,428	382,428
Total assets	–	–	382,428	382,428

Notes to the Interim Condensed Financial Statements continued

BAO Trust

14

For the half year ended 31 December 2018

8 Financial instruments continued

Fair values versus carrying amounts continued

Reconciliation of level 3 fair value measurements:

	Investments available for sale \$	Total \$
For the period ended 31 December 2018		
Opening balance – 1 July 2018	382,428	382,428
Net gains recognised in Profit or Loss	12,750	12,750
Closing balance – 31 December 2018	395,178	395,178
Total profit for the period included in the profit or loss attributable to profit relating to assets held at period end	–	–
For the period ended 31 December 2017		
Opening balance – 1 July 2017	2,570,098	2,570,098
Net gains recognised in Profit or Loss	206,650	206,650
Closing balance – 31 December 2017	2,776,748	2,776,748
Total profit for the period included in the profit or loss attributable to profit relating to assets held at period end	–	–

During the half year period ended 31 December 2018 no investments were transferred between levels 1, 2 and 3 (2017: no investment transferred between levels 1, 2 and 3).

9 Related parties

Effective from 1 July 2018, the Responsible Entity waived the management fee.

On 10 September 2018, the Fund changed its custodian from JP Morgan Chase Bank N.A. to Brookfield Funds Management Limited.

Other than as disclosed above, there have been no other significant changes to the related party transactions as disclosed in the annual report for the year ended 30 June 2018.

10 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2018 (30 June 2018: nil).

11 Events subsequent to the reporting date

There are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in subsequent financial periods.

Directors' Declaration

BAO Trust

15

For the half year ended 31 December 2018

In the opinion of the Directors of Brookfield Capital Management Limited, the Responsible Entity of BAO Trust:

- a The interim condensed financial statements and notes, set out in pages 7 to 14, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the Fund as at 31 December 2018 and of its performance for the half year period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- 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.

Signed in accordance with a resolution of the Directors of Brookfield Capital Management Limited.

Dated at Sydney this 26th day of February 2019.



Shane Ross

Director

Brookfield Capital Management Limited

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Review Report to the Unitholders of BAO Trust

We have reviewed the accompanying half-year financial report of BAO Trust ("the Fund"), which comprises the condensed consolidated statement of financial position as at 31 December 2018, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Capital Management Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 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 half-year 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 2018 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 the 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. 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Capital Management Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 BAO Trust 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 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU.

DELOITTE TOUCHE TOHMATSU

A. COLEMAN.

Andrew J Coleman
Partner
Chartered Accountants
Sydney, 26 February 2019