Certitude Asian Opportunities Fund

ARSN 143 533 466

Financial Report for the year ended 30 June 2011

Responsible Entity:
Certitude Global Investments Limited
ABN 25 082 852 364
AFS Licence 24 67 47

CERTITUDE
GLOBAL INVESTMENTS

Certitude Asian Opportunities Fund

ARSN 143 533 466

Annual financial report for the period ended 30 June 2011

Contents

This financial report covers Certitude Asian Opportunities Fund as an individual entity.

The responsible entity of Certitude Asian Opportunities Fund is Certitude Global Investments Limited (ABN 25 082 852 364) (AFS Licence 246747). The responsible entity's registered office is Level 5, 151 Macquarie Street, Sydney.

Directors' report

The directors of Certitude Global Investments Limited, the responsible entity of Certitude Asian Opportunities Fund ("the Scheme"), present their report together with the financial report of Certitude Asian Opportunities Fund for the period ended 30 June 2011and the auditor's report thereon.

Responsible entity

The responsible entity of Certitude Asian Opportunities Fund is Certitude Global Investments Limited (ABN 25 082 852 364). The responsible entity's registered office is Level 5, 151 Macquarie Street, Sydney.

Directors

The following persons held office as directors of Certitude Global Investments Limited during the period or since the end of the period and up to the date of this report:

Mr F P (Andy) Esteban	(Appointed 7 May 2010)
Ms Amber Stoney	(Appointed 11 June 2010)
Mr Peter Coates	(Appointed 29 September 2009)
Mr Ray Kellerman	(Appointed 7 May 2010))
Mr Craig Mowll	(Appointed 16 September 2010)

Principal activities

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

The Scheme invests its funds in accordance with its investment objectives and guidelines as set out in its current Product Disclosure Statement.

The Scheme's investment objective is to provide investors with access to a long-only investment strategy designed to capture the long-term returns of the Asia-Pacific equity markets whilst constraining volatility through tactical exposure to cash and bonds.

The Scheme was registered on 21 May 2010 and commenced operations on 12 October 2010. The financial report is representative of the period from when the first units were issued in the Scheme and the Scheme commenced investment activities being 12 October 2010 to 30 June 2011.

The Scheme did not have any employees during the period.

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

Review and results of operations

The Scheme continued to invest funds in accordance with its investment objectives and guidelines as set out in its current Product Disclosure Statement.

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

	2011 $
Profit/(loss) before financing costs attributable to unitholders	(84,548)

Distribution

There was no distribution paid or payable for the period ended 30 June 2011.

Directors' report (continued)

Growth

	2011 **$**
Exit unit price as at 30 June	0.9861

Performance

A summary of the Scheme's performance calculated after fees is set out below:

	2011 **%**
Capital growth	(1.39)
Distribution return	-
Total return	**(1.39)**

Significant changes in state of affairs

Waiver of performance fee

Following discussions between Gavekal Fund Management Limited (GFM), Marshall Wace Gavekal Asia Limited (MW) and the responsible entity regarding the terms of the Advisory and Access Deed, it was agreed that no performance fee will be charged by the responsible entity to the Scheme and be payable to the MW or GFM on behalf of the Scheme. The Deed of Variation to the Advisory and Access Deed was signed 18 February 2011 with an effective date of 1 January 2011.

Introduction of daily unit pricing

Following the issuance of the supplementary Product Disclosure statement (SPDS) on 4 January 2011, unitholders are able to apply for units in the Scheme on a daily basis with 4 business days notice prior to the subscription day (previously unitholders could apply for units on a weekly basis with 4 business days notice). Unitholders are also able to redeem units on a daily basis with a 4 business day notice period prior to the redemption day (previously unitholders could redeem units on a weekly basis with 4 business day notice).

A related change in the SPDS, is that unit prices are now determined on a daily basis, on each business day (previously determined weekly, effective every Tuesday).

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

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 about 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.

Directors' report (continued)

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 Certitude Global Investments Limited or the auditors of the Scheme. So long as the officers of Certitude Global Investments Limited 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.

Interests of 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 11 of the financial report.

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 11 of the financial report.

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 report.

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 3 of the financial report.

Environmental regulation

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

Events occurring after the reporting period

Subsequent to 30 June 2011, an additional 286,468 units have been issued in the Scheme, which represents approximately a 12.02% increase in the number of units on issue at balance date. The majority of these applications monies will be used to further invest in the underlying fund, being the MW Gavekal Asian Opportunities UCITS Fund.

Since 30 June 2011, significant volatility in the global markets has had an impact on the value of the Scheme's investment. For the most up to date performance impact refer to the Scheme's latest performance report at www.certitudeglobal.com.au. Any impact on the Scheme has not been recognised in the 30 June 2011 financial statements.

(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.

Reporting period and comparative information

The financial report is for the period from 12 October 2010 to 30 June 2011. There is no comparative information for the Scheme since this financial report is its first annual financial report.

Directors' report (continued)

Lead 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 6 and forms part of the directors' report for the period ended 30 June 2011.

This report is made in accordance with a resolution of the directors of Certitude Global Investments Limited.

Ms Amber Stoney
Director

Brisbane
13 September 2011

KPMG

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

To: the directors of Certitude Asian Opportunities Fund

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial period ended 30 June 2011 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

D M Waters

Partner

Melbourne

13 September 2011

Statement of comprehensive income

	Notes	**2011** **$**
Investment income		
Interest income		764
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	(66,544)
Total investment loss		**(65,780)**
Expenses		
Management fees	11	17,188
Performance fees	11	468
Administration fees	11	1,112
Total expenses		**18,768**
Profit/(loss) from operating activities		**(84,548)**
Financing costs		
Distributions to unitholders		-
Change in net assets attributable to unitholders/Total Comprehensive Income	6	**(84,548)**

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

Statement of financial position

	Notes	2011 $
Assets		
Cash and cash equivalents		32,975
Receivables	8	3,895
Financial assets held at fair value through profit or loss	7	2,315,456
Total assets		**2,352,326**
Liabilities		
Payables	9	3,137
Total liabilities (excluding net assets attributable to unitholders)		**3,137**
Net assets attributable to unitholders	6	**2,349,189**

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

Statement of changes in equity

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

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

Statement of cash flows

	Notes	2011 $
Cash flows from operating activities		
Payments for purchases of financial instruments held at fair value through profit or loss		(2,382,000)
Interest received		764
Operating expenses paid		(17,004)
Net cash inflow/(outflow) from operating activities	12(a)	**(2,398,240)**
Cash flows from financing activities		
Proceeds from applications by unitholders		2,431,215
Net cash inflow/(outflow) from financing activities		**2,431,215**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	12(b)	**32,975**

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

1 Reporting entity

Certitude Asian Opportunities Fund ("the Scheme") is a registered managed investment scheme under the *Corporations Act 2001*. The financial statements of the Scheme are for the period 12 October 2010 to 30 June 2011.

There is no comparative information for the Scheme since this is its first annual financial report.

2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial report of the Scheme complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial report was approved by the Board of Directors of the responsible entity on 13 September 2011.

(b) Basis of measurement

The financial report has been prepared on the historical cost basis except for the financial instruments held at fair value through profit and loss, which are measured at fair value.

(c) Functional and presentation currency

This financial report is presented in Australian dollars, which is the Scheme’s functional currency.

(d) Use of estimates

Note 10(e) contains information about the estimation of fair values of financial assets and liabilities.

3 Summary of significant accounting policies

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

(a) Financial instruments

(i) Classification

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

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

  These include unlisted managed investment schemes.

  Financial assets and financial liabilities designated at fair value through profit or loss upon initial recognition 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 held at fair value through profit or loss will reduce any measurement or recognition inconsistencies and any accounting mismatch that would otherwise arise.

- Receivables/payables comprise amounts due to or from the Scheme.

3 Summary of significant accounting policies (continued)

(a) Financial instruments (continued)

(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; 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.

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 year 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 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 held 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.

Financial liabilities, other than those held at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

Financial liabilities arising from the redeemable units issued by the Scheme are carried at the redemption amount representing the investors' right to a residual interest in the Scheme's assets, effectively fair value at reporting date.

(iv) Fair value measurement principles

Below are the fair value measurement principles, specific to the investment of the Scheme:

- Unlisted managed investment schemes

  Investments in managed investment schemes are recorded at the redemption value per unit as reported by the managers and/or administrators of such schemes.

(b) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The fair value of redeemable units is measured at the redemption amount that is payable at the end of the reporting period. Changes in the value of this financial liability are recognised in the statement of comprehensive income as they arise.

3 Summary of significant accounting policies (continued)

(c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

(d) Interest income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 3(a).

(e) Expenses

All expenses, including management fees, performance fees and administration fees, are recognised in the statement of comprehensive income on an accruals basis.

(f) Finance costs

Distributions paid and payable are recognised in the statement of comprehensive income as finance costs and as a liability when not paid. Distributions paid are included in cash flows from financing activities in the statement of cash flows.

(g) Distribution and Income tax

In accordance with the Scheme Constitution and applicable taxation legislation, 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.

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 future realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

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

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.

3 Summary of significant accounting policies (continued)

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

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

(i) Foreign currency translation

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian dollars at the foreign currency closing exchange rate ruling at the balance sheet date.

Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income. Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Australian dollars at the foreign currency closing exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains and losses on investments and net gain/(loss) on derivatives, respectively. All other foreign currency exchange differences relating to monetary items, including cash and cash equivalents are presented separately in the statement of comprehensive income.

(j) Receivables

Receivables may include amounts for interest, outstanding trade settlements and Reduced Input Tax Credits (RITC) owed to the Scheme by the Australian Taxation Office.

Amounts are generally received within 30 days of being recorded as receivables.

(k) Payables

Payables include unsettled unitholder redemptions and accrued expenses owing by the Scheme which are unpaid as at the end of the financial year.

(l) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Scheme such as management and administration 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, performance fees and administration fees 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.

3 Summary of significant accounting policies (continued)

(m) New accounting standards and interpretations

The following amendments to accounting standards have been identified as those which may impact the Scheme in the period of initial application. They are available for early adoption at 30 June 2011, but have not been applied in preparing this financial report:

(i) AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement:*AASB 9 will become mandatory for the Scheme's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Scheme has not yet determined the potential effect of the standard.

(ii) AASB 10 *Consolidated Financial Statement* includes new requirements to determine whether or not entities that the Scheme has an interest in needs to be consolidated. AASB 10 will become mandatory for the Scheme's 30 June 2014 financial statements. Retrospective application is required. The Scheme has not yet determined the potential effect of the standard.

(iii) IFRS 12 *Disclosure of Interest in Other Entities* includes significant disclosures for interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 will become mandatory for the Scheme's 30 June 2014 financial statements. Retrospective application is required. The Scheme has not yet determined the potential effect of the standard. The AASB is expected to issue the Australian equivalent standard shortly.

(iv) IFRS 13 *Fair Value Measurement* includes a definition of fair value and provides guidance on fair value measurement. IFRS 13 will become mandatory for the Scheme's 30 June 2014 financial statements. This standard is applied prospectively. The Scheme has not yet determined the potential impact of the standard. The AASB is expected to issue the Australian equivalent standard shortly.

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

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

	2011 $
Net unrealised gain/(loss) on financial instruments designated at fair value through profit or loss upon initial recognition	(66,544)
Total net gains/(losses) on financial instruments held at fair value through profit or loss	**(66,544)**

5 Auditor's remuneration

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

	2011 $
Audit services	
Auditors of the Scheme - KPMG	
Audit and review of financial statements	7,931
Other audit work under the Corporation Act 2001	3,630
Total auditor's remuneration	**11,561**

The audit fees of the Scheme are bourne by the responsible entity of the Scheme. The Constitution provides that an administration fee may be payable from the Scheme to the responsible entity. The administration fee is used to meet certain fees and costs associated with operating the Scheme including expenses for maintaining the accounts for the Scheme, preparing distributions and preparation and lodging of financial statements.

6 Net assets attributable to unitholders

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.

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

	2011 No.	2011 $
Opening balance	-	-
Applications	2,382,365	2,433,737
Redemptions	-	-
Increase/(decrease) in net assets attributable to unitholders	-	(84,548)
Closing balance	**2,382,365**	**2,349,189**

Capital risk management

The Scheme considers its capital to be unitholders' funds. The Scheme manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

The objective of the Scheme is to provide unitholders with returns in accordance with the Product Disclosure Statement ('PDS').

The Scheme strives to meet its stated investment objective whilst ensuring sufficient liquidity is maintained to meet unitholders' redemptions.

Following the issuance of the supplementary Product Disclosure statement (SPDS) on 4 January 2011, unitholders are able to apply for units in the Scheme on a daily basis with 4 business days notice prior to the subscription day (previously unitholders could apply for units on a weekly basis with 4 business days notice). Unitholders are also able to redeem units on a daily basis with a 4 business day notice period prior to the redemption day (previously unitholders could redeem units on a weekly basis with 4 business day notice).

A related change in the SPDS, is that unit prices are now determined on a daily basis, on each business day (previously determined weekly, effective every Tuesday).

7 Financial assets held at fair value through profit or loss

	2011 $
Designated at fair value through profit or loss upon initial recognition	
Unlisted managed investment schemes	2,315,456
Total financial assets held at fair value through profit and loss	**2,315,456**

8 Receivables

	2011 $
Outstanding settlements	2,522
GST recoverable	1,373
	3,895

9 Payables

	2011 $
Management fees payable	2,946
Administration fees payable	191
	3,137

10 Financial risk management

(a) Introduction and overview

- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risk, and the Scheme's management of capital.

(i) Risk management framework

The Scheme's assets principally consist of financial instruments which comprise interests in unlisted managed investments schemes. It holds these investment assets at the discretion of the responsible entity, in accordance with its stated investment strategy. The Scheme's investment objective is to provide investors with access to a long-only investment strategy designed to capture the long-term returns of the Asia-Pacific equity markets whilst constraining volatility through tactical exposure to bonds and cash.

The allocation of assets in financial instruments is determined by the responsible entity in order to achieve the Scheme's investment objectives. Target asset allocations and the composition of the portfolio is monitored by the responsible entity on at least a monthly basis.

The nature and extent of the financial instruments employed by the Scheme are discussed below. This note presents information about the Scheme's exposure to each of the above risks, as well as the Scheme's objectives, policies and processes for measuring and managing risk.

The responsible entity has overall responsibility for the establishment and oversight of the Scheme's risk management framework.

The responsible entity has established an Investment Committee, which is responsible for developing and monitoring the Scheme's risk management policies, including those related to its investment activities. The Scheme's risk management policies are established to identify and analyse the risks faced by the Scheme, to set appropriate risk limits and controls, and to monitor risks and adherences to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Scheme's activities.

The Investment Committee receives regular risk management reports from the Certitude Investment and Operations teams. Reports from the Certitude Investment and Operation teams include details of the controls they have in place to monitor compliance with the Scheme's investment strategy, training and personnel management standards and procedures, and details how the Certitude Investment and Operations teams develop and maintain a disciplined and constructive control environment in which their employees understand their roles and obligations. The Investment Committee also oversees the monitoring of compliance with the Scheme's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Scheme.

(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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

10 Financial risk management (continued)

(i) Management of market risk

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 by the Scheme.

The sensitivity of the Scheme's net assets attributable to unitholders (and profit/(loss) before financing 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 has exposure. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

At 30 June 2011, the overall market exposures were as follows:

	2011 $
Unlisted managed investment schemes	2,315,456
Total financial assets held at fair value through profit or loss	**2,315,456**

(ii) Exposure to price risk

Price risk is the risk that the fair value of the unlisted managed investment schemes 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 held at fair value through profit or loss. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Scheme's overall market positions are monitored by the Scheme's responsible entity. 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 Investment Committee, other key management personnel, compliance committees and ultimately the Board.

Sensitivity analysis-price risk

A 10% per cent increase in the value of the financial assets held at fair value through the profit or loss at the reporting date would have increased the profit/(loss) from operating activities and net assets attributable to unitholders by $231,546; an equal change in the opposite direction would have decreased the profit/(loss) from operating activities and net assets attributable to unitholders by an equal but opposite amount.

(iii) Exposure to foreign exchange risk

The foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The unlisted managed investment schemes are denominated in Australian dollars, and as such there is no direct foreign currency risk. However, the unlisted managed investment scheme may hold equities, bonds and cash denominated in a variety of Asian currencies, and as such the Scheme is indirectly impacted by fluctuations in the exchange rates of those Asian currencies.

10 Financial risk management (continued)

(iv) Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme is exposed to direct interest rate risk through its holdings of cash and cash equivalents, which are at call.

The unlisted managed investment schemes that the Scheme holds interests in may hold cash and bonds exposing the Scheme indirectly to interest rate risk. However, the interest rate sensitivity analysis is prepared on the basis of the Scheme's direct investments and not on a look through basis.

The cash assets held by the Scheme are exposed to a variable interest rate equal to the RBA interbank overnight cash rate. The RBA interbank overnight cash rate as at 30 June 2011 was 4.75% per annum.

In accordance with the Scheme's policy, the Investment Manager monitors the Scheme's overall interest sensitivity 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 the compliance manager, other key management personnel, compliance committees and ultimately the Board.

Sensitivity analysis – interest rate risk on cash and cash equivalents

An increase of 100 basis points in interest rates with all other variables remaining constant as at the reporting date would have increased the profit/(loss) from operating activities and net assets attributable to unitholders by $330. An equal change in the opposite direction would have decreased the profit/(loss) from operating activities and net assets attributable to unitholders by an equal but opposite amount.

(c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme, resulting in a financial loss to the Scheme.

At 30 June 2011, the following financial assets were exposed to credit risk: cash and cash equivalents, interests in unlisted managed investment schemes and receivables. Total carrying amount of financial assets exposed to credit risk amounted to $2,352,326.

(i) Management of credit risk

Credit risk arising on interests in unlisted managed investment schemes is mitigated by investing with managers who are well recognised and have a proven track record of delivering on their stated investment objectives. The responsible entity carries out extensive due diligence on any proposed manager prior to making an investment, and a review is conducted at least annually. Continual monitoring of the investment managers is also carried out on an ongoing basis.

The carrying amounts of the financial assets best represent the maximum credit risk exposure at the end of the reporting period.

All of the cash held by the Scheme is held with National Australia Bank Limited. Bankruptcy or insolvency by National Australia Bank Limited may cause the Scheme's rights with respect to the cash held by National Australia Bank Limited to be delayed or limited. The responsible entity monitors the credit rating and financial position of National Australia Bank Limited on an on-going basis. If the credit quality or the financial position of National Australia Bank Limited deteriorates significantly the Scheme will move the cash holdings to another bank.

10 Financial risk management (continued)

(d) 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 or that such obligations will have to be settled in a manner disadvantageous to the Scheme.

(i) Management of liquidity risk

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's Product Disclosure Statement provides for the daily redemption of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions. Liquidity levels are maintained to satisfy usual levels of demand, and as well there is a 4 business day notice period for redemptions which reflects the liquidity of the unlisted managed investment schemes. Redemptions are usually processed and paid within 8 days after a redemption day.

The Scheme's liquidity risk is managed on a daily basis by the responsible entity monitoring current cash balances and projecting future cash flow requirements on an ongoing basis. Where the responsible entity considers that additional cash reserves may be required, the responsible entity will partially redeem a portion of its holdings in investments.

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.

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	12-60 months
	$	$	$	$
At 30 June 2011				
Payables	-	3,137	-	-
Net assets attributable to unitholders	2,349,189	-	-	-
Total financial liabilities - Contractual cash flows (excluding gross settled derivatives)	**2,349,189**	**3,137**	**-**	**-**

(e) Estimation of fair values of financial assets and financial liabilities

The Scheme values its investments in accordance with the accounting policies set out in Note 3 *Summary of significant accounting policies.*

For the period ended 30 June 2011, the Scheme did not determine the fair value of any financial assets and financial liabilities using valuation techniques. The fair values of the Scheme's financial assets and liabilities for the period then ended were determined directly, in full or in part, by reference to quoted prices that were available from various counterparty confirmations.

10 Financial risk management (continued)

(f) Valuation of financial instruments

The Scheme's accounting policy on fair value measurements is discussed in Note 3(a)(iv).

The Scheme measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly from observable market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets as based on quoted prices or dealer price quotations. For all other financial instruments the Scheme determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which observable prices exist, Black-Scholes, binomial or trinomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The responsible entity uses widely recognised valuation models for determining the fair value of common or more simple financial instruments such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity investments, exchange traded derivatives and simple over the counter derivatives, e.g. interest rate swaps.

Availability of market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the product and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments the responsible entity uses proprietary valuation models, which usually are developed from recognised valuation models. Some or all of the significant inputs to these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain over the counter derivatives, credit default swaps and certain securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation are usually required for selection of an appropriate valuation model to be used, determination of probability or counterparty default and selection of appropriate discount rates.

The responsible entity has established a control framework with respect to the management of fair values. Specific controls include: verification of observable pricing inputs and reperformance of model valuations; calibration and back testing of models against observable market transactions; analysis and investigation of significant valuation movements; review of significant unobservable inputs and valuation adjustments; and reporting of significant valuation issues to the board of directors.

10 Financial risk management (continued)

(f) Valuation of financial instruments (continued)

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

As at 30 June 2011	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets				
Financial assets designated at fair value through profit or loss at inception:				
Unlisted managed investment schemes	-	2,315,456	-	2,315,456
Total	**-**	**2,315,456**	**-**	**2,315,456**

The value of the interests held by the Scheme in the unlisted managed investment schemes are based on observable inputs, either directly or indirectly which are quoted in active markets. The valuation is determined by reference to quoted prices that are available from the investment manager of the underlying funds. The underlying investments of the underlying fund are represented by but not limited to quoted equities and over the counter instruments. Therefore, these instruments are classified within Level 2 of the fair value hierarchy.

11 Related party transactions

Responsible entity

The responsible entity of Certitude Asian Opportunities Fund is Certitude Global Investments Limited (ABN 25 082 852 364), whose ultimate parent entity is HFA Holdings Limited (ABN 47 101 585 737).

The responsible entity was formerly known as HFA Asset Management Limited although changed its name to Certitude Global Investments Limited on 29 July 2010.

Key management personnel

(a) Directors

Key management personnel includes persons who were directors of Certitude Global Investments Limited at any time during the period as follows:

Mr F P (Andy) Esteban	(Appointed 7 May 2010)
Ms Amber Stoney	(Appointed 11 June 2010)
Mr Peter Coates	(Appointed 29 September 2009)
Mr Ray Kellerman	(Appointed 7 May 2010)
Mr Craig Mowll	(Appointed 16 September 2010)

(b) Other key management personnel

The Scheme does not employ personnel in its own right. However, it is required to have an incorporated responsible entity to manage the activities of the Scheme and this is considered to be the key management personnel.

Key management personnel unitholdings

At 30 June 2011the following key personnel held units in the Scheme:

- The responsible entity being Certitude Global Investments Limited held 500,000 units in the Scheme.
- Mr Craig Mowll, director, held 5,000 units in the Scheme

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 the responsible entity, directors of the responsible entity, 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.

No key management personnel have entered into a material contract with the Scheme during the reporting period and there were no material contracts involving director's interests subsisting at reporting period end.

11 Related party transactions (continued)

Responsible entity's fees and other transactions

Under the terms of the Scheme Constitution, the responsible entity is entitled to receive management, performance and administration fees.

Total fees charged by the responsible entity during the reporting period (inclusive of GST less RITC) are as follows:

	2011 $
Management fees charged for the period by the responsible entity	17,188
Performance fees charged for the period by the responsible entity[1]	468
Administration fees charged for the period by the responsible entity	1,112

[1] Following discussions between Gavekal Fund Management Limited (GFM), Marshall Wace Gavekal Asia Limited (MW) and the responsible entity regarding the terms of the Advisory and Access Deed, it was agreed that no performance fee will be charged by the responsible entity to the Scheme and be payable to the MW or GFM on behalf of the Scheme. The Deed of Variation to the Advisory and Access Deed was signed 18 February 2011 with an effective date of 1 January 2011.

	2011 $
Management fees payable to the responsilble entity	2,946
Administration fees payable to the responsible entity	191

Related party schemes' unitholdings

The following related parties held the following units in the Scheme as at 30 June 2011:

	Units held	Market Value $	Interest held %
Craig Mowll (Director)	5,000	4,930	0.21
Certitude Global Investments Limited (Responsible entity)	500,000	493,037	20.99

Other than the above, no other parties related to the Scheme (including Certitude Global Investments Limited, its related parties and other schemes managed by Certitude Global Investments Limited), hold units in the Scheme.

12 Reconciliation of net cash inflow/(outflow) from operating activities

	2011 $
(a) Reconciliation of net cash inflow/(outflow) from operating activities	
Increase/(decrease) in net assets attributable to unitholders	(84,548)
Payments for purchases of financial instruments held at fair value through profit or loss	(2,382,000)
Net (gains)/losses on financial instruments held at fair value through profit or loss	66,544
Net change in receivables and accrued income	(1,373)
Net change in payables and accrued expense	3,137
Net cash inflow/(outflow) from operating activities	**(2,398,240)**

(b) Components of cash and cash equivalents

Cash as at the end of the period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

Cash and cash equivalents	**32,975**

13 Events occurring after the reporting period

Subsequent to 30 June 2011, an additional 286,468 units have been issued in the Scheme, which represents approximately a 12.02% increase in the number of units on issue at balance date. The majority of these applications monies will be used to further invest in the underlying fund, being the MW Gavekal Asian Opportunities UCITS Fund.

Since 30 June 2011, significant volatility in the global markets has had an impact on the value of the Scheme's investment. For the most up to date performance impact refer to the Scheme's latest performance report at www.certitudeglobal.com.au. Any impact on the Scheme has not been recognised in the 30 June 2011 financial statements.

Other than the above, no other significant events have occurred since the end of the reporting period which would impact on the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2011 or on the results and cash flows of the Scheme for the period ended on that date.

14 Contingent assets and liabilities

There are no outstanding contingent assets and liabilities as at 30 June 2011.

Directors' declaration

In the opinion of the directors of Certitude Global Investments Limited, the responsible entity of Certitude Asian Opportunities Fund (the Scheme):

(a) the financial report and notes set out on pages 7 to 27 are in accordance with the *Corporations, 2001*, including:

(i) complying with Australian Accounting Standards including the Australian Accounting Interpretations and the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the Scheme's financial position as at 30 June 2011 and of its performance for the period ended on that date.

(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 report also complies with the International Financial Reporting Standards as disclosed in Note 2(a).

Signed in accordance with a resolution of the directors of Certitude Global investments Limited:

Amber Stoney

Ms Amber Stoney
Director

Brisbane
13 September 2011

Independent auditor's report to the unitholders of Certitude Asian Opportunities Fund

Report on the financial report

We have audited the accompanying financial report of Certitude Asian Opportunities Fund (the Scheme), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of Certitude Global Investments Limited (the Responsible Entity) are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In note 2(a), the directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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. Those 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Scheme's financial position, and of its performance.

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 complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of Certitude Asian Opportunities Fund is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Scheme's financial position as at 30 June 2011 and of its performance for the period ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

KPMG

KPMG

Dean M Waters
Partner

Melbourne

13 September 2011