

Pzena Global Expanded Value Fund

ARSN 613 118 522

Annual report

For the period 29 June 2016 to 30 June 2017

Pzena Global Expanded Value Fund

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Annual report

For the period 29 June 2016 to 30 June 2017

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Independent auditor's report to the Directors of the Responsible Entity of Pzena Global Expanded Value Fund

This annual report covers Pzena Global Expanded Value Fund as an individual entity.

The Responsible Entity of Pzena Global Expanded Value Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:
Level 1, 575 Bourke Street
Melbourne, VIC 3000.

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of Pzena Global Expanded Value Fund (the "Fund"), present their report together with the financial statements of the Fund for the period 29 June 2016 to 30 June 2017.

Principal activities

The Fund was constituted on 10 June 2016, and commenced operations on 29 June 2016; being the registration date with the Australian Securities & Investments Commission (ASIC).

The Fund will invest primarily in global equity securities in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the period.

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

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Pzena Investment Management, LLC
Custodian and Administrator	The Northern Trust Company
Statutory Auditor	KPMG

Directors

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

Philip D Gentry	Chairman
Harvey H Kalman	
Martin G Walsh	(resigned 9 June 2017)
Geoffory R Rimmer	(resigned 4 October 2016)
Ian C Westley	(appointed 12 December 2016)

Review and results of operations

The Fund has remained dormant since it was constituted on 10 June 2016.

Significant changes in state of affairs

Geoffory R Rimmer resigned as a director of Equity Trustees Limited on 4 October 2016.

Ian C Westley was appointed as a director of Equity Trustees Limited on 12 December 2016.

Martin G Walsh resigned as a director of Equity Trustees Limited on 9 June 2017.

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

Directors' report (continued)

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly effect:

- (i) the operations of the Fund in future financial years;
- (ii) the results of those operations in future financial years; or
- (iii) the state of the affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund is expected to commence operations in the next financial year.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity and its associates

No fees were paid out of Fund property to the directors of the Responsible Entity during the period.

No fees were paid to the Responsible Entity and its associates out of Fund property during the period.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 5 to the financial statements.

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest dollar in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

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



Philip D Gentry
Chairman

Melbourne
31 August 2017



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

To the Directors of Pzena Global Expanded Value Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of Pzena Global Expanded Value Fund for the period 29 June 2016 to 30 June 2017 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

AR

Andrew Reeves
Partner

Sydney
31 August 2017

Pzena Global Expanded Value Fund
Statement of comprehensive income
For the period 29 June 2016 to 30 June 2017

Statement of comprehensive income

	Note	For the period 29 June 2016 to 30 June 2017 \$
Investment income		
Dividend income		-
Net foreign exchange gain/(loss)		-
Net gains/(losses) on financial instruments held at fair value through profit or loss		-
Total investment income/(loss)		-
Expenses		
Management fees	10	-
Other expenses		-
Total expenses		-
Operating profit/(loss)		-
Finance costs attributable to unit holders		
Distributions to unit holders		-
(Increase)/decrease in net assets attributable to unit holders	5	-
Profit/(loss) for the period		-
Other comprehensive income		-
Total comprehensive income for the period		-

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

Pzena Global Expanded Value Fund
Statement of financial position
As at 30 June 2017

Statement of financial position

	Note	As at 30 June 2017 \$
Assets		
Cash and cash equivalents	7	-
Receivables		-
Financial assets held at fair value through profit or loss		-
Total assets		<u>-</u>
Liabilities		
Distribution payable		-
Payables		-
Total liabilities (excluding net assets attributable to unit holders)		<u>-</u>
Net assets attributable to unit holders - liability	5	<u>-</u>

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

Pzena Global Expanded Value Fund
Statement of changes in equity
For the period 29 June 2016 to 30 June 2017

Statement of changes in equity

	For the period 29 June 2016 to 30 June 2017
	\$
Total equity at the beginning of the financial period	-
Profit/(loss) for the period	-
Other comprehensive income	-
Total comprehensive income	<u>-</u>
Transactions with owners in their capacity as owners	<u>-</u>
Total equity at the end of the financial period	<u>-</u>

Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result there was no equity at the start or end of the financial period.

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

Pzena Global Expanded Value Fund
Statement of cash flows
For the period 29 June 2016 to 30 June 2017

Statement of cash flows

	Note	For the period 29 June 2016 to 30 June 2017 \$
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss		-
Purchase of financial instruments held at fair value through profit or loss		-
Net cash inflow/(outflow) from operating activities	8	<u>-</u>
Cash flows from financing activities		
Proceeds from applications by unit holders		-
Net cash inflow/(outflow) from financing activities		<u>-</u>
Net increase/(decrease) in cash and cash equivalents		-
Cash and cash equivalents at the beginning of the period		<u>-</u>
Cash and cash equivalents at the end of the period	7	<u>-</u>

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

Notes to the financial statements

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1 General information

These financial statements cover Pzena Global Expanded Value Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 10 June 2016 and will terminate in accordance with the Fund's Constitution or by law, unless terminated earlier in accordance with the provisions of the Fund's Constitution.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund will invest primarily in global equity securities in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

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

2 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

These financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

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

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Fund. The Fund has not yet decided when to adopt AASB 9.

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

AASB 15 will replace AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are expected to be dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of AASB 15 to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements. The Fund has not yet decided when to adopt AASB 15.

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

(b) Financial instruments

(i) Classification

The Fund's investments are classified as held at fair value through profit or loss. They comprise of:

- Financial Instruments held for trading

These are investments in derivative financial instruments such as forward currency contracts. The Fund does not designate any derivatives as hedges in a hedging relationship.

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

These include financial assets and liabilities that are not held for trading purposes and which may be sold. These are investments in global exchange traded equity securities.

Financial assets and liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy as outlined in the Investment Management Agreement. The Fund's policy is for the Investment Manager to evaluate information about these financial instruments on a fair value basis together with other related financial information.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Recognition and derecognition

The Fund 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 and financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

(iii) Measurement

- Financial instruments held at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities designated as at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in fair value of 'financial assets and liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

(c) Net assets attributable to unit holders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders. The units are classified as financial liabilities as the Fund is required to distribute its distributable income in accordance with the Fund's Constitution.

The units can be put back to the Fund at any time for cash based on the redemption price.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put units back to the Fund.

(d) Cash and cash equivalents

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

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

2 Summary of significant accounting policies (continued)

(e) Investment Income

(i) Interest Income

Interest income on cash and cash equivalents is recognised in the statement of comprehensive income on an accruals basis. Changes in fair value of financial instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

(ii) Dividends

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

(f) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, the Fund is not subject to income tax as unit holders are presently entitled to the income of the Fund. The benefits of any imputation credits and foreign tax paid are passed on to unit holders.

(h) Distributions

The Fund distributes its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

(i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. Movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

(j) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

The Fund does not isolate that portion of unrealised gains or losses on financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates. Such fluctuations are included within the net gains/(losses) on financial instruments at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by period end. Trades are recorded on trade date, and normally settled within two business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, and the probability that the broker will enter into bankruptcy or financial reorganisation and default in payments.

(l) Receivables

Receivables may include amounts for interest and dividends. Dividends are accrued where the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

Collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(m) Payables

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

As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the statement of financial position as at the end of each reporting period and where this amount remains unpaid as at the end of the reporting period.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial period.

(n) Applications and redemptions

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

(o) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts 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.

(p) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial period. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2 Summary of significant accounting policies (continued)

(q) Comparative period

The Fund was constituted on 10 June 2016, and commenced operations on 29 June 2016, being the registration date with the Australian Securities & Investments Commission. The reporting period covers the period 29 June 2016 to 30 June 2017, hence there is no comparative information.

(r) Rounding of amounts

The Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise indicated.

3 Financial risk management

The Fund has not held any financial instruments since its inception on 10 June 2016. As a result, the Fund does not have any exposure to market risk (which incorporates price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

4 Fair value measurement

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of 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 or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with accounting policies set out in Note 2 to the financial statements.

The Fund remains dormant since it was constituted and does not hold any financial instruments.

5 Net assets attributable to unit holders

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

	For the period 29 June 2016 to 30 June 2017	
	Units	\$
Opening balance	-	-
Applications	-	-
Redemptions	-	-
Increase/(decrease) in net assets attributable to unit holders	-	-
Closing balance	-	-

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

5 Net assets attributable to unit holders (continued)

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Capital risk management

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

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

6 Distributions to unit holders

There were no distributions declared for the period 29 June 2016 to 30 June 2017.

7 Cash and cash equivalents

	As at 30 June 2017 \$
Cash at bank	-
Total cash and cash equivalents	-

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

	For the period 29 June 2016 to 30 June 2017 \$
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	
Profit/(loss) for the period	-
Increase/(decrease) in net assets attributable to unit holders	-
Proceeds from sale of financial instruments held at fair value through profit or loss	-
Purchase of financial instruments held at fair value through profit or loss	-
Net (gains)/losses on financial instruments held at fair value through profit or loss	-
Net change in receivables	-
Net change in payables	-
Net cash inflow/(outflow) from operating activities	-

9 Remuneration of auditor

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

	For the period 29 June 2016 to 30 June 2017 \$
KPMG	
<i>Audit and other assurance services</i>	
Audit of financial statements	2,000
Audit of the compliance plan	3,750
Total remuneration for audit and other assurance services	5,750
Total remuneration of KPMG	5,750

The auditor's remuneration is paid directly by the Investment Manager. Fees are stated net of GST.

10 Related party transactions

The Responsible Entity of Pzena Global Expanded Value Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to Pzena Investment Management, LLC, to act as Investment Manager for the Fund and The Northern Trust Company, to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

(i) Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial period and up to the date of this report.

Philip D Gentry	Chairman
Harvey H Kalman	
Martin G Walsh	(resigned 9 June 2017)
Geoffory R Rimmer	(resigned 4 October 2016)
Ian C Westley	(appointed 12 December 2016)

(ii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial period.

(b) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

(c) Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2017.

10 Related party transactions (continued)

(d) Key management personnel compensation

Key management personnel are paid by Equity Trustees Limited. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

(e) Key management personnel loans

The Fund 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.

(f) Other transactions within the Fund

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

(g) Responsible Entity and Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees.

No amounts were paid by the Fund during the period.

(h) Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) held no units in the Fund as at 30 June 2017.

(i) Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the period.

11 Events occurring after the reporting period

No significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2017 or on the results and cash flows of the Fund for the period ended on that date.

12 Contingent assets and liabilities and commitments

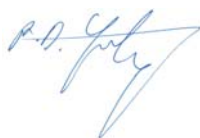
There are no outstanding contingent assets, liabilities or commitments as at 30 June 2017.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 5 to 18 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 Fund's financial position as at 30 June 2017 and of its performance for the financial period ended on that date.
- (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.
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Philip D Gentry
Chairman

Melbourne
31 August 2017



Independent Auditor's Report

To the members of Pzena Global Expanded Value Fund

Opinion

We have audited the **Financial Report** of Pzena Global Expanded Value Fund (the Scheme).

In our opinion, the accompanying **Financial Report** of Pzena Global Expanded Value Fund is in accordance with the *Corporations Act 2001*, including

- giving a true and fair view of the Scheme's financial position as at 30 June 2017, and of its financial performance and its cash flows for the period 29 June 2016 to 30 June 2017; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises the:

- Statement of financial position as at 30 June 2017
- Statement of comprehensive income for the period 29 June 2016 to 30 June 2017
- Statement of changes in equity, and Statement of cash flows for the period 29 June 2016 to 30 June 2017
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Scheme in accordance with the *Corporations Act 2001* and the relevant ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code). We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Pzena Global Expanded Value Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Pzena Global Expanded Value Fund (the Responsible Entity) are responsible for the Other Information.



Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors for the Financial Report

The Directors of Pzena Global Expanded Value Fund (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Scheme's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Andrew Reeves
Partner

Sydney
31 August 2017