

**JAIPUR ASSET
MANAGEMENT**



SPECIALISTS IN INDIAN INVESTMENT

JAIPUR INDIA GROWTH FUND

ABN 47 315 963 853

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2017**

JAIPUR INDIA GROWTH FUND
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The Directors of the Trustee, Vasco Funds Management Pty Ltd, present their report on the Jaipur India Growth Fund ('the Fund') for the year ended 30 June 2017.

1. Directors

The names of Directors of the Trustee in office at any time during the financial year are:

Craig Mathew Dunstan (appointed 2 February 2016)

Fiona Jean Dunstan (appointed 2 February 2016)

The Directors have been in office since the establishment of the Fund to the date of this report unless otherwise stated.

2. Principal Activities

The principal activities of the Fund are to provide investment exposure to Indian equity funds. The Fund is a sub-fund of the Jaipur AM Master Fund.

The Jaipur India Growth Fund invests in the following three underlying Funds:-

- UTI India Dynamic Equity Fund (UTI)
- SBI Resurgent India Opportunities Fund (SBI)
- India Premium Fund (IPF)

The Jaipur India Growth Fund was established on 1 March 2016. As the Fund commenced operations this financial year, there is no comparative information.

3. Operating Results

The net operating loss of the Fund for the financial year ending 30 June 2017 was \$1,114.

4. Distributions Paid or Recommended

Distributions are calculated on a quarterly basis based on the net income of the Fund and are payable two months after the distribution calculation date.

There was no distribution declared or paid as at the end of the reporting period.

5. Review of Operations

During the period since inception the Fund issued 2,571,880 units.

The Fund has invested in three underlying funds – UTI, SBI and IPF.

During the year, the change in value of the investment in the three underlying funds is reflected in the assets of the Fund.

Income distributed by the three underlying funds will be as follows:-

- UTI: The Prospectus states dividend will be declared on the last business day in January and July each year or on such other date as may be determined by the Directors or such other frequency as the Directors consider appropriate. No dividend has been declared since inception.
- SBI: The Fund does not intend to make any dividend distributions except in certain exceptional circumstances as the Board may, in its discretion, decide otherwise.

JAIPUR INDIA GROWTH FUND
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2017

- IPF: It is not envisaged that any income or gains will be distributed by the Fund by way of dividend.

The Fund was issued the APIR code of VIL7707AU on 17 November 2016.

6. Significant Changes in State of Affairs

Apart from those matters referred to in the previous sections of this Report, there have been no other significant changes to the state of affairs of the Fund during the financial year.

7. After Balance Date Events

No matters or circumstance have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

8. Future Developments

There are no future developments to report on other than those disclosed elsewhere in the report.

9. Environmental Issues

The operation of the Fund is not subject to any particular or significant environmental regulations under either Commonwealth, State or Territory Law.

10. Indemnifying Officers or Auditor

During or since the end of the financial year, the Trustee has paid insurance premiums to insure each of the aforementioned directors as well as officers of the Trustee against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the Trustee, other than conduct involving a willful breach of duty in relation to the Trustee.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Trustee has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer or auditor of the Trustee or of any related body corporate against a liability incurred as such an officer or auditor.

11. Options

No options over issued units or interests in the Fund were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The directors and executives of the Trustee hold no options over interests in the Fund.

12. Proceedings on Behalf of the Fund

No person has applied for leave of court to bring proceedings on behalf of the Fund or intervene in any proceedings to which the Fund is a party for the purpose of taking responsibility on behalf of the Fund for all or any part of their proceedings. The Fund was not a party to any such proceedings during the period.

JAIPUR INDIA GROWTH FUND
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2017

13. Fees, Commissions or other charges by the Trustee or Related Parties of the Trustee

No fees were charged to the Fund. Trustee and Administration Manager fees were paid by the Investment Manager of the Jaipur AM Master Fund.

14. Units held by the Trustee or Related Parties of the Trustee

At 30 June 2017, Vasco Investment Managers Limited in its capacity as trustee of Jaipur AM Master Fund held 2,571,880 units in the Fund.

15. Interests Issued in the Fund

During the financial year 2,571,880 units were issued.

16. Buy Back Arrangements

As detailed in the Fund Constitution the Trustee is not under any obligation to buy back, purchase or redeem units from unitholders. Consequently, no units were redeemed by the Trustee during the reporting period.

17. Value of Scheme Assets

The gross asset value of the Fund's assets at the end of the reporting period was \$3,118,458.

18. Investments

As at 30 June 2017, the aggregate of investments made in the three funds were:-

Fund	Units Issued	Cost (USD)	Cost (AUD)
UTI	65,551	\$676,562	\$886,943
SBI	615,113	\$639,504	\$839,697
IPF	6,624	\$679,484	\$891,874

19. Net Asset Value of the Investments

As at 30 June 2017, the net asset value (NAV) and value of investments as reported by the three funds was:-

Fund	Units Issued	Date of NAV	NAV per unit (USD)	Value (USD)	Value (AUD)
UTI	65,551.00	30-Jun-17	\$11.66	\$764,325	\$992,978
SBI	615,113.53	30-Jun-17	\$1.38	\$848,857	\$1,102,798
IPF	6,624.35	29-Jun-17	\$117.89	\$780,926	\$1,014,545

The total value of the Investments as at the end of the period was AUD 3,110,321.

20. Number of Interests on Issue

At 30 June 2017, the number of units issued in the Fund was 2,571,880.

JAIPUR INDIA GROWTH FUND
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2017

21. Unit price

The unit price of the Jaipur India Growth Fund as at 30 June 2017 was \$1.2114

Signed in accordance with a resolution of the Board of Directors of Vasco Funds Management Pty Ltd
by:

Craig Mathew Dunstan

Director

Vasco Funds Management Pty Ltd

Date: 20 September 2017

JAIPUR INDIA GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Revenue and other income			
Bank interest	2 (b)	252	-
Bank commission rebate	2 (b)	45	-
Total revenue and other income		<u>297</u>	<u>0</u>
Expenses			
Administration expenses	9	1,411	-
Total expenses		<u>1,411</u>	<u>0</u>
Operating profit/(loss) before finance costs attributable to unitholders	4 (b)	<u>(1,114)</u>	<u>0</u>
Finance costs attributable to unitholders			
Total comprehensive income		<u>(1,114)</u>	<u>0</u>

The accompanying notes form part of these financial statements

JAIPUR INDIA GROWTH FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Notes	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	2 (a)	8,137	-
Total current assets		8,137	0
Non-current assets			
Investment assets	3 (a)	3,110,321	-
Total non-current assets		3,110,321	0
Total assets		3,118,458	0
Liabilities			
Commission rebate payable	5	2,765	-
Total liabilities		2,765	0
Net assets		3,115,693	0
Represented by:			
Issued units	4 (a)	2,625,000	-
Revaluation reserve	4 (c)	491,807	-
Undistributed profit/(loss) attributable to unitholders	4 (b)	(1,114)	-
Net assets attributable to unitholders		3,115,693	0

The accompanying notes form part of these financial statements

JAIPUR INDIA GROWTH FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Bank Interest		297	
Administration expenses		(1,411)	-
Net cash provided by/(used in) operating activities	10	<u>(1,114)</u>	<u>0</u>
Cash flows from investing activities			
Payment for investment assets		(2,615,749)	-
Net cash provided by/ (used in) investing activities		<u>(2,615,749)</u>	<u>0</u>
Cash flows from financing activities			
Proceeds from units issue		2,625,000	-
Net cash provided by/ (used in) financing activities		<u>2,625,000</u>	<u>0</u>
Net increase/ (decrease) in cash and cash equivalents		8,137	-
Cash and cash equivalents at the beginning of year		-	-
Cash and cash equivalents at the end of year	2 (a)	<u><u>8,137</u></u>	<u><u>0</u></u>

The accompanying notes form part of these financial statements

JAIPUR INDIA GROWTH FUND

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

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

JAIPUR INDIA GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial report is for the entity Jaipur India Growth Fund ('the Fund') as an individual entity. The Fund is an unlisted managed investment scheme established and domiciled in Australia. The Trustee of the Fund is Vasco Funds Management Pty Ltd.

Financial Reporting Framework

The Fund is not a reporting entity, because in the opinion of the directors of the Trustee, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored, so as to specifically satisfy all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the directors of the Trustee's reporting requirements under *Corporations Act 2001*.

Basis of Preparation

The financial report is a special purpose financial report that has been prepared in accordance with the recognition and measurement requirements of all Australian Accounting Standards (including Australian Accounting Interpretations), and the disclosure requirements of AASB 101: Presentation of Financial Statements, AASB 107: Statement of cash flows and AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors.

The functional and presentation currency of the Fund is Australian dollars.

Significant Accounting Policies

(a) Financial instruments

Financial assets and financial liabilities are recognised on the Fund's Statement of Financial Position when the Fund becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

Issued units

The Fund issues units which have a limited life under the Fund's constitution and are classified as equity in accordance with AASB 132 Financial Instruments: Presentation as amended by AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation.

JAIPUR INDIA GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Financial instruments

Should the terms or conditions of the units change such that they no longer comply with the criteria for classification as equity in the revised AASB 132, the units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

Where the Fund buys back any of its units from unitholders, the consideration paid, including any directly attributable incremental costs are recognised as a reduction in equity attributable to the Fund's unitholders.

(a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST, and accruals are shown exclusive of GST.

(b) Income tax

Under current legislation, the Fund is not liable for income tax provided its taxable income is fully distributed to unitholders.

(c) Critical judgements and significant accounting estimates

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

(d) Comparatives

As the Jaipur India Growth Fund commenced operations this financial year, there are no comparative numbers for the year ending 30 June 2016.

(e) Foreign Exchange

Items included in the financial records are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Australian dollars, which is the presentation currency of the Fund.

The financial position and performance of foreign operations with a functional currency other than Australian dollars are translated into the presentation currency, using the exchange rate prevailing at the dates of the report from ANZ Bank (US\$1 equals AU\$0.76973). The assets, liabilities and equity items are translated using reporting date exchange rates.

JAIPUR INDIA GROWTH FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 2: CASH AND CASH EQUIVALENTS

(a) Cash at bank

	2017	2016
	\$	\$
Macquarie Bank	6	-
ANZ Bank	8,131	-
	8,137	0
	8,137	0

(b) Bank interest income and commission rebate

Cash is held in a Macquarie Bank cash management account (AUD) and ANZ account. The current interest rate paid by Macquarie is 1.40% pa paid monthly. The Fund has been able to obtain a higher return from Macquarie which appears as a commission rebate, amounting to an extra 0.25% pa. The ANZ Bank account does not receive interest.

NOTE 3: INVESTMENT ASSETS

(a) Investment held

As at 30 June 2017, the value of investments as reported by the three funds was:-

	2017	2016
	\$	\$
UTI India Dynamic Equity Fund USD Institution (UTI)	992,978	-
SBI Resurgent India Opportunities Fund (SBI)	1,102,798	-
India Premium Fund (IPF)	1,014,545	-
	3,110,321	0
	3,110,321	0

The total value of the Investments as at the end of the period was AUD 3,110,321.

NOTE 4: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	2017	2016
	\$	\$
(a) Issued units		
Opening balance	-	-
Redemptions	-	-
Units issued – applications	2,625,000	-
Units issued – reinvestment of distributions	-	-
Closing balance	2,625,000	0
	2,625,000	0

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

JAIPUR INDIA GROWTH FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

(b) Undistributed profit/(loss) attributable to unitholders

	2017	2016
	\$	\$
Opening balance	-	-
Operating profit/(loss) before finance costs attributable to unitholders	(1,114)	-
Distributions paid	-	-
Distributions payable	-	-
Closing balance	(1,114)	0

(c) Revaluation reserve

	Cost (AUD)	Value (AUD)	Revaluation (AUD)
	\$	\$	\$
UTI	886,943	992,978	106,035
SBI	839,697	1,102,798	263,101
IPF	891,874	1,014,545	122,671
	2,618,514	3,110,321	491,807

(d) Capital management

The Fund regards total unitholders' interests as its capital. The objective of the Fund is to provide unitholders with income distributions. The Fund aims to achieve this objective mainly through investing in a portfolio of real estate related investments in the Australian market.

The Fund aims to invest to meet the Fund's investment objectives while maintaining sufficient liquidity to meet its commitments, including unitholder redemptions. The Trustee regularly reviews the performance of the Fund, including asset allocation strategies, investment and risk management.

NOTE 5: COMMISSION REBATE PAYABLE

Based on the agreement between the Investment Manager of Jaipur AM Master Fund and UTI, the commission rebate payable to Jaipur Asset Management Pty Ltd is to take the form of additional units issued from UTI to the Fund. The Fund has a liability to pay the commission rebate to the Investment Manager of Jaipur AM Master Fund.

NOTE 6: TRUSTEE FEES

In accordance with the Information Memorandum of the Fund, Vasco Funds Management Pty Limited is entitled to receive a fee of \$10,000 plus GST per annum. This fee is payable by the Investment Manager of Jaipur AM Master Fund.

NOTE 7: ADMINISTRATION FEES

In accordance with the Trust Deed of the Fund, the Trustee is entitled to an administration fee of between \$15,000 - \$25,000 (plus GST) per annum based on the number of unit holders and gross assets of the Fund, and is subject to an annual increase in line with the consumer price index each year. In accordance with the Trust Deed, the fee is payable in arrears in 12 equal instalments within 5 business days of the last day of each calendar month. This fee is payable by the Investment Manager of Jaipur AM Master Fund.

JAIPUR INDIA GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: INVESTMENT MANAGEMENT FEES

No investment management fees are payable at the sub-fund level.

NOTE 9: ADMINISTRATION EXPENSES

	2017	2016
	\$	\$
Establishment costs	330	-
Bank charges	150	-
Courier expenses	931	-
	<u>1,411</u>	<u>0</u>

NOTE 10: CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities with profit/ (loss) for the year

	2017	2016
	\$	\$
Profit/(loss) for the year	(1,114)	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	-	-
Increase/ (decrease) in payables	-	-
Cash flows from operating activities	<u>(1,114)</u>	<u>0</u>

NOTE 11: RELATED PARTY TRANSACTIONS

(a) Trustee

The Trustee of the Jaipur India Growth Fund is Vasco Funds Management Pty Ltd.

(b) Investment Manager

The Investment Manager of the Jaipur India Growth Fund is Jaipur Asset Management Pty Ltd.

(c) Trustee fees

In accordance with the Information Memorandum of the Fund, Vasco Funds Management Pty Limited is entitled to receive a fee of \$10,000 plus GST per annum. This fee is payable by the Investment Manager of Jaipur AM Master Fund.

(d) Administration fees

In accordance with the Trust Deed of the Fund, the Trustee is entitled to an administration fee of between \$15,000 - \$25,000 (plus GST) per annum based on the number of unit holders and gross assets of the Fund, and is subject to an annual increase in line with the consumer price index each year. In accordance with the Trust Deed, the fee is payable in arrears in 12 equal instalments within 5 business days of the last day of each calendar month. This fee is payable by the Investment Manager of Jaipur AM Master Fund.

JAIPUR INDIA GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(e) Key management personnel

The Fund does not employ personnel in its own right. However, it has an incorporated Trustee, Vasco Funds Management Pty Ltd and an Investment Manager, Jaipur Asset Management Pty Ltd, to manage the activities of the Fund. The directors of the Trustee are key management personnel of those respective entities. No compensation is paid directly by the Fund to directors or to any of the key management personnel of the Trustee. Payments made by the Fund to the Trustee do not specifically include any amounts attributable to the compensation of key management personnel.

NOTE 12: TAX RETURN & AUDIT FEES

The Fund is subject to a tax return fee of \$3,500 per annum. These fees are payable by the Investment Manager of Jaipur AM Master Fund.

NOTE 13: REMUNERATION OF AUDITORS

For the period ended 30 June 2017 the accounts of the Fund were not subject to audit and accordingly no audit fees were paid.

NOTE 14: CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the period.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

As at the date of this report, there have been no other events subsequent to reporting date that require additional disclosure.

NOTE 16: TRUSTEE DETAILS

The registered office and the principal place of business of the Trustee are:

Vasco Funds Management Pty Ltd
Level 5
488 Bourke Street
Melbourne Victoria 3000

JAIPUR INDIA GROWTH FUND

DIRECTORS' DECLARATION

The directors of Vasco Funds Management Pty Ltd, the Trustee, have determined that the Fund is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of Vasco Funds Management Pty Ltd, the Trustee, declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Fund's financial position as at 30 June 2017 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors of Vasco Funds Management Pty Ltd by:

Craig Mathew Dunstan

Director

20 September 2017