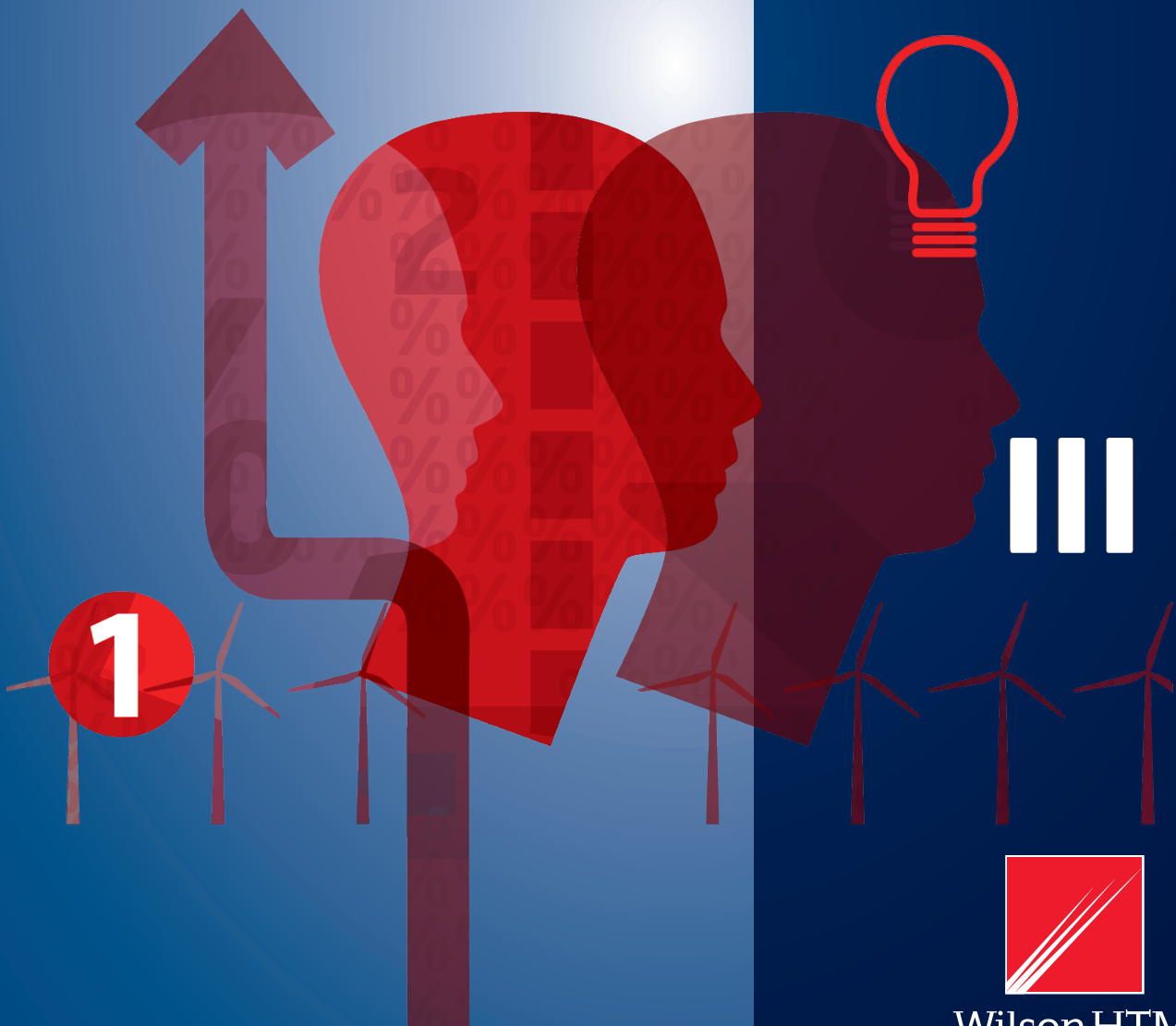


Wilson HTM

Priority Core Fund

ARSN: 144 032 431

Annual Financial Report
for the year ended
30 June 2011



Wilson HTM
WHTM CAPITAL MANAGEMENT LIMITED

Wilson HTM Priority Core Fund

ARSN 144 032 431

Annual financial statements for the period from 02 June 2010 to 30 June 2011

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These financial statements cover the Wilson HTM Priority Core Fund as an individual entity.

The Responsible Entity of the Wilson HTM Priority Core Fund is WHTM Capital Management Limited (ABN 29 082 494 362). The Responsible Entity's registered office is Level 38, 71 Eagle Street, Brisbane, QLD 4000.

Directors' report

The directors of WHTM Capital Management Limited (a wholly owned subsidiary of Wilson HTM Investment Group Ltd), the Responsible Entity of the Wilson HTM Priority Core Fund, present their report together with the financial statements of the Wilson HTM Priority Core Fund (the "Fund"), for the period from 02 June 2010 to 30 June 2011.

Principal activities

The Fund is a registered managed investment fund domiciled in Australia.

The Fund invests in a diversified portfolio of primarily large cap Australian companies with strong medium to long term capital growth and outperformance potential in accordance with the provisions of the Fund's Product Disclosure Statement and Fund Constitution.

The Fund aims to provide a total investment return after fees that exceeds the return of the All Ordinaries Accumulation Index by 4% per annum over rolling 3 to 5 year periods. The Fund focuses primarily on delivering returns through capital growth with some income.

The Fund was constituted on 2 June 2010 and commenced operations on 22 June 2010.

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.

Directors

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

Mr A Sweeney (resigned 17 December 2010, re-appointed 12 April 2011, resigned 6 May 2011)
Mr I Harrison (resigned 15 October 2010)
Ms K Penrose (appointed 30 April 2010)
Ms M Brady (appointed 15 October 2010)
Ms A Roberts (appointed 17 December 2010, resigned 31 August 2011)
Mr D Holmes (appointed 21 January 2011, resigned 12 April 2011, re-appointed 31 August 2011)
Ms Francine Hoo (appointed 31 August 2011)

The Responsible Entity also has a Compliance Committee consisting of one non-independent person and two independent persons. This committee's role is to oversee the compliance requirements of the Fund operated by the Responsible Entity. This Committee met 6 times during the financial period under review.

Review and results of operations

During the period, the Fund invested in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund Constitution.

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

	Period from 02 June 2010 to 30 June 2011 \$
Net operating profit before financing costs attributable to unitholders	954,840
Distribution paid and payable	589,098
Distribution (cents per unit)	6.4983

Directors' report (continued)

Significant changes in state of affairs

This is the first period of operations of the Fund.

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

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Product Disclosure Statement and the Fund Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Fund 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 Fund.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regards of insurance cover provided to either the officers of WHTM Capital Management Limited or the auditors of the Fund. So long as the officers of WHTM Capital Management Limited act in accordance with the Fund 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.

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

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

Fees paid to the Responsible Entity and its associates out of Fund property during the period are disclosed in Note 13 on page 24 of the financial statements.

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

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial period are disclosed in Note 13 on pages 24-25 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 12 of the financial statements.

The value of the Fund's assets and liabilities are disclosed in the statement of financial position and derived using the basis set out in Note 2 of the financial statements.

Directors' report (continued)

Environmental regulation

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

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 5.

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



Ms M Brady
Director, WHTM Capital Management Limited

Sydney
27 September 2011



Auditor's Independence Declaration

As lead auditor for the audit of the Wilson HTM Priority Core Fund for the period ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of the Wilson HTM Priority Core Fund during the period.

A handwritten signature in black ink, appearing to read 'Craig Thomason', with a long horizontal flourish extending to the right.

Craig Thomason
Partner
PricewaterhouseCoopers

Brisbane
27 September 2011

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DX 77 Brisbane, Australia
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Liability limited by a scheme approved under Professional Standards Legislation.

Statement of comprehensive income

	Notes	Period from 02 June 2010 to 30 June 2011 \$
Investment income		
Interest income		29,662
Dividend income	4	327,976
Net gains on financial assets held at fair value through profit or loss	5	887,529
Other operating income		2
Total net investment income		<u>1,245,169</u>
Expenses		
Responsible entity fees	13	123
Management fees	13	147,733
Performance fees	13	89,430
Transaction costs		52,796
Other operating expenses		247
Total operating expenses		<u>290,329</u>
Operating profit		<u>954,840</u>
Finance costs attributable to unitholders		
Distributions to unitholders	7	(589,098)
Increase in net assets attributable to unitholders	12	(365,742)
Profit/(loss) for the period		<u>-</u>
Other comprehensive income		<u>-</u>
Total comprehensive income		<u>-</u>

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

Statement of financial position

	Notes	As at 30 June 2011 \$
Assets		
Cash and cash equivalents	8	491,645
Receivables	10	74,895
Financial assets held at fair value through profit or loss	9	11,450,149
Total assets		12,016,689
Liabilities		
Distributions payable	7	547,750
Payables	11	95,875
Total liabilities (excluding net assets attributable to unitholders)		643,625
Net assets attributable to unitholders - liability	12	11,373,064

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

Statement of changes in equity

	Period from 02 June 2010 to 30 June 2011 \$
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>

In accordance with AASB 132 'Financial Instruments: Presentation', net assets attributable to unitholders is classified as a liability rather than equity. As a result there was no equity at the start or end of the period.

Changes in net assets attributable to unitholders are disclosed in Note 12.

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

Statement of cash flows

	Notes	Period from 02 June 2010 to 30 June 2011 \$
Cash flows from operating activities		
Proceeds from maturity/sales of financial instruments held at fair value through profit or loss		7,793,731
Purchase of financial instruments held at fair value through profit or loss		(18,356,351)
Transaction costs on financial instruments held at fair value through profit or loss		(52,796)
Dividends received		260,695
Interest received		26,472
Other income received		2
Responsible entity fees paid		(123)
Management fees paid		(133,099)
Performance fees paid		(8,189)
RITC paid		(4,424)
Other expenses paid		(247)
Net cash outflow from operating activities	14 (a)	(10,474,329)
Cash flows from financing activities		
Proceeds from applications by unitholders		11,978,421
Payments for redemptions by unitholders		(1,003,402)
Distributions paid		(9,045)
Net cash inflow from financing activities		10,965,974
Net increase in cash and cash equivalents		491,645
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	14 (b),8	491,645

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

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1 General information

These financial statements cover the Wilson HTM Priority Core Fund (the "Fund") as an individual entity and the statements are presented in the Australian currency. The Fund was constituted on 02 June 2010 and commenced operations on 22 June 2010.

The Responsible Entity of the Fund is WHTM Capital Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 38, 71 Eagle Street, Brisbane, QLD 4000.

The Responsible Entity is incorporated and domiciled in Australia.

The Custodian of the Fund is BNP Paribas Fund Services Australasia Pty Ltd.

The Fund invests in a diversified portfolio of primarily large cap Australian companies with strong medium to long term capital growth and outperformance potential in accordance with the provisions of the Fund's Product Disclosure Statement and Fund Constitution.

The Fund aims to provide a total investment return after fees that exceeds the return of the All Ordinaries Accumulation Index by 4% per annum over rolling 3 to 5 year periods. The Fund focuses primarily on delivering returns through capital growth with some income.

The financial statements were authorised for issue by the directors on 27 September 2011. The directors of the Responsible Entity have the power to amend the financial statements after they have been issued.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001* in Australia.

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 are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled in relation to these balances cannot be reliably determined.

Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of significant accounting policies (continued)

(b) Financial instruments

(i) Classification

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

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

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

Financial assets and financial 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. The Fund's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information. The information on the fair value basis is provided internally to the Fund's key management personnel.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date they become 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;
- the Fund retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' agreement; or
- the Fund 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) are included in the statement of comprehensive income in the period the asset is derecognised as realised gains or losses on financial instruments.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

(a) Financial assets and liabilities held at fair value through profit or loss

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 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.

- Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

(b) Loans and receivables

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses, if any. Such assets are reviewed at each reporting date to determine whether there is objective evidence of impairment.

If any such indication of impairment exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is 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.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities due to mandatory distributions. The units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to put the units back to the Fund.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

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

(e) Investment income

Interest income and expenses are recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit and loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b).

Dividend income is recognised on the ex-dividend date net of any related foreign withholding tax.

Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at period end and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend income.

(f) Expenses

All expenses, including manager's fees, 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 provided the taxable income of the Fund is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Fund).

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 Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any 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.

(h) Distributions

In accordance with the Fund's Constitution, the Fund 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.

2 Summary of significant accounting policies (continued)

(i) 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 the 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.

(j) Due from/to brokers

Amounts due from/to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and normally settled on terms consistent with the applicable exchange through which the trade was conducted. 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. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired.

(k) Receivables

Receivables may include amounts for dividends, interest, trust distributions and amounts due from brokers. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits (RITC) and application monies receivable from unitholders.

(l) Payables

Payables include liabilities, amounts due to brokers and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the reporting date is recognised separately in the statement of financial position as unitholders are presently entitled to the distributable income as at 30 June 2011 under the Fund Constitution.

(m) 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.

Unit redemption prices are determined by reference to the net assets of the Fund divided by the number of units on issue.

2 Summary of significant accounting policies (continued)

(n) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% hence investment management fees, custodial fees and other expenses 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.

(o) Use of estimates

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

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

(p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

(i) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010 Amendment to Australia Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption.

AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded.

The Fund has not yet decided when to adopt AASB 9. Management does not expect this will have a significant impact on the Fund's financial statements as the Fund does not hold any available-for-sale investments.

2 Summary of significant accounting policies (continued)

(p) New accounting standards and interpretations (continued)

(ii) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Fund will apply the amended standard from 1 July 2011. The amendments will not have any effect on the Fund's financial statements.

(iii) AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 Disclosures on Transfers of Financial Assets which amends AASB 1 First-time Adoption of Australian Accounting and AASB 7 Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Fund's disclosures. The Fund intends to apply the amendment from 1 July 2011.

(iv) Amendments to AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Fund does not expect that any adjustments will be necessary as the result of applying the revised rules.

(v) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

3 Financial risk management

(a) Objectives, strategies, policies and processes

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by an Investment Manager (Investment Manager) under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of price risk.

3 Financial risk management (continued)

(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. Market risk comprises of three types of risks: 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 Fund's direct investments and not on a look-through basis for investments held in the Fund.

The sensitivity of the Fund's net assets attributable to unitholders (and net operating profit/(loss)) to price 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 the historical correlation of the Fund'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 Fund invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

(i) Price risk

Equity price risk is the risk that the fair value of equities 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.

Equity price risk exposure arises from the Fund's investment portfolio. The investments are classified on the statement of financial position as at fair value through profit or loss. All securities 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 Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Fund's overall market positions are monitored on a daily basis by the Fund's Investment Manager and are reviewed at least quarterly by the Board.

Compliance with the Fund's Product Disclosure Statement is reported to the Board at least quarterly.

Net assets attributable to unitholders include investments in equity securities. At 30 June 2011, the overall market exposures were as follows:

	As at 30 June 2011 \$
Securities designated at fair value through profit or loss	11,450,149
	11,450,149

At 30 June 2011, if the equity prices had increased by 10% with all other variables held constant, this would have increased net assets attributable to unitholders (and net operating profit/(loss)) by approximately \$1,145,015. Conversely, if the equity prices had decreased by 10%, this would have decreased net assets attributable to unitholders (and net operating profit/(loss)) by approximately \$1,145,015.

(ii) Foreign currency risk

The Fund is not exposed to significant risks from movements in foreign exchange rates as there are no financial assets and liabilities denominated in foreign currencies.

3 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk

The majority of the Fund's financial assets are non-interest-bearing. Interest-bearing financial assets and interest-bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Fund is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Fund holds no collateral as security or any other credit enhancement. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

Credit risk is not considered to be significant to the Fund.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash, as the majority are listed on the ASX. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Fund's Constitution provides for the daily application and redemption of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions at any time.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's liquidity position on a daily basis, and the Board reviews them at least quarterly. Compliance with the Fund's policy is reported to the Board at least quarterly.

Maturity analysis for financial liabilities

The table below analyses the Fund's 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.

At 30 June 2011	Less than 1 month \$	1-3 months \$	3-12 months \$	12-60 months \$
Distributions payable	547,750	-	-	-
Accrued expenses	95,875	-	-	-
Net assets attributable to unitholders	11,373,064	-	-	-
Total financial liabilities	12,016,689	-	-	-

3 Financial risk management (continued)

(e) Fair values of financial assets and financial liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The following table presents the Fund's assets measured and recognised at fair value at 30 June 2011 by level of the following fair value measurement hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

At 30 June 2011	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
<i>Designated at fair value through profit or loss</i>				
Listed equities	11,450,149	-	-	11,450,149
Total assets	11,450,149	-	-	11,450,149

For the period ended 30 June 2011 the Fund did not include financial assets that were determined using valuation techniques. The fair values of the Fund's financial assets for the period then ended were determined directly, in full or in part, by reference to quoted prices that were available from various sources, such as exchanges, dealers, brokers, industry groups and pricing services, as on the balance date without any deduction for estimated future selling cost.

The fair value of financial instruments traded in active markets (listed equities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Fund is the current bid price. These instruments are included in level 1.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

4 Dividend income

	Period from 02 June 2010 to 30 June 2011 \$
Dividend income	327,976
	<u>327,976</u>

5 Net gains on financial assets held at fair value through profit or loss

	Period from 02 June 2010 to 30 June 2011 \$
Financial assets	
Net unrealised gains on financial assets designated at fair value through profit or loss	356,335
Net realised gains on financial assets designated at fair value through profit or loss	531,194
Net gains on financial assets held at fair value through profit or loss	887,529

6 Auditor's remuneration

The fees for audit and non-audit services are paid by the Investment Manager out of the management fees that they earn.

7 Distributions to unitholders

Timing of distributions

The distributions were paid/payable as follows:

	Period from 02 June 2010 to 30 June 2011	
	\$	CPU
Distributions		
31 December	33,445	0.3620
20 May special distribution	7,903	0.9631
30 June (payable)	547,750	5.1732
	589,098	6.4983

8 Cash and cash equivalents

	As at 30 June 2011 \$
Cash at bank	491,645
	491,645

9 Financial assets held at fair value through profit or loss

	As at 30 June 2011 \$
Financial assets	
<i>Designated at fair value through profit or loss</i>	
Listed equities	11,450,149
Total financial assets held at fair value through profit or loss	11,450,149

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in Note 3.

10 Receivables

	As at 30 June 2011 \$
Accrued income	70,471
GST receivable	4,424
Total receivables	74,895

11 Payables

	As at 30 June 2011 \$
Accrued expenses	95,875
Total payables	95,875

12 Net assets attributable to unitholders

As stipulated within the Fund Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

12 Net assets attributable to unitholders (continued)

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

	Period from	
	02 June 2010 to	30 June 2011
	No.	\$
Opening balance	-	-
Applications	11,441,830	11,978,421
Redemptions	(881,939)	(1,003,402)
Units issued upon reinvestment of distributions	28,235	32,303
Increase in net assets attributable to unitholders	-	365,742
Closing balance	10,588,126	11,373,064

Capital risk management

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

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. The Fund's strategy was to hold a certain portion of the net assets attributable to unitholders in liquid investments. Liquid assets include cash and cash equivalents and listed equities. 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 a redemption of units, if the exercise of such discretion is in the best interests of unitholders.

13 Related party transactions

Responsible Entity

The Responsible Entity of the Wilson HTM Priority Core Fund is WHTM Capital Management Limited.

Wilson HTM Investment Management Pty Ltd is the Investment Manager of the Fund.

Wilson HTM Investment Group Ltd is the ultimate holding company of WHTM Capital Management Limited and has a financial interest in Wilson HTM Investment Management Pty Ltd..

Key management personnel

Directors

Key management personnel includes persons who were directors of WHTM Capital Management Limited at any time during the financial period as follows:

Mr A Sweeney (resigned 17 December 2010, re-appointed 12 April 2011, resigned 6 May 2011)
Mr I Harrison (resigned 15 October 2010)
Ms K Penrose (appointed 30 April 2010)
Ms M Brady (appointed 15 October 2010)
Ms A Roberts (appointed 17 December 2010, resigned 31 August 2011)
Mr D Holmes (appointed 21 January 2011, resigned 12 April 2011, re-appointed 31 August 2011)
Ms Francine Hoo (appointed 31 August 2011)

13 Related party transactions (continued)

Responsible Entity fees and other transactions

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the period and amounts payable at period end between the Fund and the Responsible Entity and the Investment Manager were as follows:

	Period from 02 June 2010 to 30 June 2011 \$
Responsible Entity fees for the period paid/payable by the Fund*	123
Management fees for the period paid/payable by the Fund	147,733
Performance fees for the period paid/payable by the Fund	89,430
 Aggregate amount payable to the Investment Manager at the reporting date	 95,875

*Where the Fund invests into other funds managed by the Responsible Entity, the Responsible Entity's fee is calculated after rebating fees charged in the underlying funds.

Key management personnel unitholdings

Parties related to the Fund (including WHTM Capital Management Limited, its related parties and other Funds managed by WHTM Capital Management Limited) held units in the Fund as follows:

	Period from 02 June 2010 to 30 June 2011					
	Interest held (%)	Number of units held opening (Units)	Number of units acquired (Units)	Number of units disposed (Units)	Number of units held closing (Units)	Distributions paid/payable by the Fund (\$)
Nil	-	-	-	-	-	-
Total	-	-	-	-	-	-

Related party fund's unitholdings

Parties related to the Fund (including WHTM Capital Management Limited, its related parties and other schemes managed by WHTM Capital Management Limited), held units in the Fund as follows:

	Period from 02 June 2010 to 30 June 2011				
	Interest held (%)	Number of units held opening (Units)	Number of units acquired (Units)	Number of units disposed (Units)	Number of units held closing (Units)
Wilson HTM Foundation Ltd	1.60%	-	169,847	-	169,847
Wilson HTM Investment Management Pty Ltd	63.06%	-	6,677,236	-	6,677,236
Total	64.66%	-	6,847,083	-	6,847,083

13 Related party transactions (continued)

Related party fund's unitholdings (continued)

Fair value of investments held and distributions paid/payable by the Fund

Unitholder	Fair value of investments \$	Distributions paid/payable by the Fund \$
Wilson HTM Foundation Ltd	182,806	9,401
Wilson HTM Investment Management Pty Ltd	7,186,709	369,524
Total	7,369,515	378,925

Key management personnel compensation

Key management personnel are paid by Wilson HTM Services Pty Ltd or Pinnacle Services Administration Pty Ltd. Payments made from the Fund to WHTM Capital Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

Key management personnel loan disclosures

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.

Other transactions within the Fund

From time to time directors of WHTM Capital Management Limited, or their director related entities, may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other Fund investors and are trivial in nature.

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

14 Reconciliation of net profit to net cash outflow from operating activities

	Period from 02 June 2010 to 30 June 2011 \$
(a) Reconciliation of net profit to net cash outflow from operating activities	
Net profit/(loss) for the period	-
Increase in net assets attributable to unitholders	365,742
Proceeds from maturity/sale of financial instruments held at fair value through profit or loss	7,793,731
Purchase of financial instruments held at fair value through profit or loss	(18,356,351)
Net gains on financial instruments held at fair value through profit or loss	(887,529)
Distributions to unitholders	589,098
Net change in receivables and accrued income	(74,895)
Net change in accounts payable and accrued liabilities	95,875
Net cash outflow from operating activities	(10,474,329)
(b) Components of cash and cash equivalents	
Cash as at the end of the financial period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:	
Cash and cash equivalents	491,645
	491,645
(c) Non-cash financing and investing activities	
During the period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	
	32,303
	32,303

15 Comparatives

This is the first full year of operations of the Fund and therefore there are no prior year comparatives.

16 Events occurring after the reporting period

No significant events have occurred since the reporting period which would impact on the financial position of the Fund disclosed in the statement of financial position as at 30 June 2011 or on the results and cash flows of the Fund for the year ended on that date.

17 Contingent assets and liabilities and commitments

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

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 26 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 2011 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.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Ms M Brady
Director, WHTM Capital Management Limited

Sydney
27 September 2011



Independent auditor's report to the unitholders of Wilson HTM Priority Core Fund

Report on the financial report

We have audited the accompanying financial statements of the Wilson HTM Priority Core Fund (the "Fund"), which comprise the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of 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 also state, in accordance with 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. These Auditing 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 and fair presentation of the financial report 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent auditor's report to the unitholders of Wilson HTM Priority Core Fund (Continued)

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 statements of the Wilson HTM Priority Core Fund are in accordance with the *Corporation Act 2001*, including:
 - (i) giving a true and fair view of the Fund's financial position at 30 June 2011 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Wilson HTM Priority Core Fund for the period ended 30 June 2011 included on the Responsible Entity's web site. The Responsible Entity's directors are responsible for the integrity of the Responsible Entity's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Thomason
Partner

Brisbane
27 September 2011

www.wilsonhtm.com.au/fund

Brisbane • Sydney • Melbourne

Select regional offices

Wilson HTM Priority Core Fund

ARSN 144 032 431



Wilson HTM
INVESTMENT GROUP

