

# **Antares Lodestar Absolute Return Trust - Australian Shares**

ARSN 125 308 634

## **Annual financial report for the year ended 30 June 2009**

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This financial report covers Antares Lodestar Absolute Return Trust - Australian Shares as an individual entity.

The Responsible Entity of Antares Lodestar Absolute Return Trust - Australian Shares is Antares Managed Investments Ltd (ABN 61 083 784 463). The Responsible Entity's registered office is Ground Floor, MLC Building, 105-153 Miller Street, North Sydney, NSW, 2059.

**Directors' report**

The directors of Antares Managed Investments Ltd, the Responsible Entity of Antares Lodestar Absolute Return Trust - Australian Shares, present their report together with the financial report of Antares Lodestar Absolute Return Trust - Australian Shares (the "Scheme") for the year ended 30 June 2009.

The Scheme is an Australian registered scheme.

**Responsible entity**

The Responsible Entity of Antares Lodestar Absolute Return Trust - Australian Shares is Antares Managed Investments Ltd (ABN 61 083 784 463). The Responsible Entity's registered office is Ground Floor, MLC Building, 105-153 Miller Street, North Sydney, NSW, 2059.

**Principal activities**

The Scheme was constituted on 21 December 2006.

The Scheme invests in equities, equity derivatives and listed property trusts in accordance with the provisions of the Scheme Constitution.

The Scheme did not have any employees during the year.

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

**Directors**

The following persons held office as directors of Antares Managed Investments Ltd during the year or since the end of the year and up to the date of this report:

**Name**

BA Baker  
RJ Brown  
PJ Carre  
JA Gee  
SJ Lambert  
TA McVicar

**Review and results of operations**

There have been no significant changes to the operations of the Scheme since the previous financial period. The Scheme continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme Constitution.

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

	1 July 2008 - 30 June 2009 \$'000	21 Dec 2006 - 30 June 2008 \$'000
Net operating profit/(loss) before financing costs attributable to unitholders (\$'000)	<u>(8,195)</u>	<u>61</u>
Distributions paid and payable (\$'000)	3,090	3,561
Distributions (cents per unit)	3.13	10.69

## Directors' report (continued)

### Significant changes in state of affairs

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

### Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

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

### Likely developments and expected results of operations

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme Constitution.

Further information on likely developments in the operations of the Scheme and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Scheme.

### Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of Antares Managed Investments Ltd or the auditors of the Scheme. So long as the officers of Antares Managed Investments Ltd act in accordance with the Scheme Constitution and the Law, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

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

Fees paid to the Responsible Entity and its associates out of Scheme property during the year are disclosed in note 16 of the financial statements.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 16 of the financial statements.

### Interests in the Scheme

The movement in units on issue in the Scheme during the year is disclosed in note 7 of the financial report.

The value of the Scheme's assets and liabilities is disclosed on the balance sheet and derived using the basis set out in note 2 of the financial report.

### Environmental regulation

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

### Rounding of amounts to the nearest thousand dollars

The Scheme is an entity of the kind referred to in Class Order 98/100 (as amended) issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

**Directors' report (continued)**

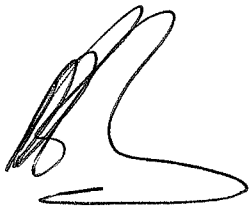
**Reporting period and comparative information**

The reporting period is for the period from 1 July 2008 to 30 June 2009. The comparative period encompasses the period from 21 December 2006 to 30 June 2008.

**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.



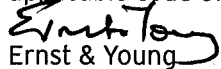
Director

B. A. BAKER

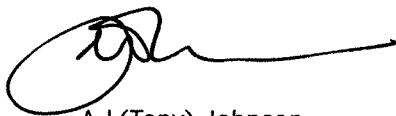
17 September 2009

## Auditor's Independence Declaration to the Directors of Antares Lodestar Absolute Return Trust - Australian Shares

In relation to our audit of the financial report of Antares Lodestar Absolute Return Trust - Australian Shares for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized signature of an Ernst & Young representative, written in black ink, positioned above the text 'Ernst & Young'.

Ernst & Young

A large, handwritten signature in black ink, appearing to be 'AJ Johnson', written over a horizontal line.

AJ (Tony) Johnson  
Partner  
Melbourne  
17 September 2009

**Income statement**

	Notes	1 July 2008 - 30 June 2009 \$'000	21 Dec 2006 - 30 June 2008 \$'000
<b>Investment income</b>			
Interest income	3	1,281	967
Dividend/Trust distribution income	4	1,280	1,176
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	<u>(9,620)</u>	<u>(1,100)</u>
<b>Total net investment income/(loss)</b>		<u><b>(7,059)</b></u>	<u><b>1,043</b></u>
<b>Expenses</b>			
Management fees		556	504
Transaction costs		525	443
Other expenses		<u>55</u>	<u>35</u>
<b>Total operating expenses</b>		<u><b>1,136</b></u>	<u><b>982</b></u>
<b>Net operating profit/(loss)</b>		<u><b>(8,195)</b></u>	<u><b>61</b></u>
<b>Financing costs attributable to unitholders</b>			
Distributions to unitholders	8	3,090	3,561
Increase/(decrease) in net assets attributable to unitholders	7	<u>(11,285)</u>	<u>(3,500)</u>
<b>Net profit/(loss) for the period</b>		<u><b>-</b></u>	<u><b>-</b></u>

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

**Balance sheet**

		As at	
	Notes	30 June 2009 \$'000	30 June 2008 \$'000
<b>Assets</b>			
Cash and cash equivalents	9	32,942	11,169
Receivables	11	1,808	465
Financial assets held at fair value through profit or loss	10	<u>55,933</u>	<u>29,520</u>
<b>Total assets</b>		<b><u>90,683</u></b>	<b><u>41,154</u></b>
<b>Liabilities</b>			
Distributions payable	8	2,121	2,650
Payables	12	3,645	1,785
Financial liabilities held at fair value through profit or loss	13	<u>661</u>	<u>2,338</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b><u>6,427</u></b>	<b><u>6,773</u></b>
<b>Net assets attributable to unitholders - liability</b>	7	<b><u>84,256</u></b>	<b><u>34,381</u></b>

The above balance sheet should be read in conjunction with the accompanying notes.

**Statement of recognised income and expense**

	1 July 2008 - 30 June 2009 \$'000	21 December 2006 - 30 June 2008 \$'000
Net profit/(loss) for the period	-	-
Net income/(expense) recognised directly in equity	-	-
<b>Total recognised income and expense for the financial period</b>	<b>-</b>	<b>-</b>

In accordance with AASB 132 *Financial Instruments: Presentation*, net assets attributable to unitholders is classified as a liability rather than equity.

Changes in net assets attributable to unitholders are disclosed in note 7.

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.

**Cash flow statement**

	Notes	1 July 2008 - 30 June 2009 \$'000	21 Dec 2006 - 30 June 2008 \$'000
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		113,138	89,434
Purchase of financial instruments held at fair value through profit or loss		(150,224)	(116,230)
Transaction costs on financial instruments held at fair value through profit or loss		(520)	(473)
Dividends received		1,196	870
Interest received		1,210	967
Trust distributions received		77	112
RITC received/(paid)		68	60
Management fees paid		(552)	(506)
Other expenses paid		(97)	(35)
<b>Net cash inflow/(outflow) from operating activities</b>	17(a)	<u>(35,704)</u>	<u>(25,801)</u>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		66,980	37,012
Payments for redemptions by unitholders		(7,400)	(42)
Distributions paid		(2,103)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<u>57,477</u>	<u>36,970</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21,773</b>	<b>11,169</b>
Cash and cash equivalents at the beginning of the period		<u>11,169</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the year</b>	9,17(b)	<u><b>32,942</b></u>	<u>11,169</u>

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

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## 1 General information

This financial report covers Antares Lodestar Absolute Return Trust - Australian Shares (the "Scheme") as an individual entity. The Scheme was constituted on 21 December 2006.

The Responsible Entity of the Scheme is Antares Managed Investments Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Ground Floor, MLC Building, 105-153 Miller Street, North Sydney, NSW, 2059. The Responsible Entity is incorporated and domiciled in Australia.

The financial report is presented in the Australian currency.

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

## 2 Summary of significant accounting policies

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

### (a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

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

The balance sheet 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 financial assets and financial liabilities held at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled in relation to those balances cannot be reliably determined. The maturity analysis for financial liabilities at fair value through profit or loss is disclosed in the Financial Risk Management Note.

#### *Compliance with International Financial Reporting Standards*

The financial report of the Scheme complies with International Financial Reporting Standards, Interpretations and other authoritative pronouncements as issued and/or adopted by the International Accounting Standards Board.

### (b) Financial instruments

#### (i) Classification

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

- Financial instruments held for trading

These may include derivative financial instruments such as futures, forward contracts, options and interest rate swaps. The Scheme 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 that are not held for trading purposes and which may be sold. These may include investments in exchange traded debt and equity instruments, unlisted trusts, unlisted equity instruments and commercial paper.

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 Scheme's documented investment strategy. The Scheme's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments (continued)

The information on the fair value basis is provided internally to the Scheme's key management personnel. In addition, the designation of financial assets and financial liabilities at fair value through profit or loss will reduce any measurement or recognition inconsistencies and any accounting mismatch that would otherwise arise.

The Scheme makes short sales in which a borrowed securities is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

#### (ii) Recognition/derecognition

The Scheme recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Scheme 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 Scheme has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset; or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Any gains or losses arising on derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised as realised gains or losses on financial instruments.

#### (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 income statement.

- 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 balance sheet 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.

- Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the balance sheet date.

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments (continued)

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Scheme would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the most appropriate option valuation model.

### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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. The units can be put back to the Scheme at any time for cash equal to a proportionate share of the Scheme'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 balance sheet date if unitholders exercised their right to put the units back to the Scheme. Because the Scheme's redemption unit price is based on different valuation principles to that applied in financial reporting, a valuation difference exists, which has been treated as a separate component of net assets attributable to unitholders. Changes in the value of this financial liability are recognised in the income statement as they arise.

### (d) Cash and cash equivalents

For cash flow statement 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 from the date of acquisition 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 on the balance sheet.

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 Scheme's main income generating activity.

### (e) Investment income

Interest income and interest expenses are recognised in the income statement for all financial instruments on an accrual basis. 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.

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date.

Trust distributions are recognised on an entitlements basis.

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 year end and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend/distribution income. Realised and unrealised gains/(losses) are shown in the notes to the financial statements.

## 2 Summary of significant accounting policies (continued)

### (f) Expenses

All expenses, including Responsible Entity's fees and custodian fees, are recognised in the income statement on an accruals basis.

### (g) Income tax

Under current legislation, the Scheme is not subject to income tax as unitholders are presently entitled to the income of the Scheme.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Scheme is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Scheme to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

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

The Scheme may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the income statement.

### (h) Distributions

In accordance with the Scheme Constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the income statement as finance costs attributable to unitholders.

### (i) Increase/(decrease) in net assets attributable to unitholders

Movements in net assets attributable to unitholders are recognised in the income statement 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) Receivables

Receivables may include amounts for dividends, trust distributions, interest and securities sold where settlement has not yet occurred. 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.

### (k) Payables

Payables includes liabilities and accrued expenses owing by the Scheme which are unpaid as at balance date.

Trades are recorded on trade date, and normally settled within three business days. Purchases of financial instruments that are unsettled at reporting date are included in payables.

## 2 Summary of significant accounting policies (continued)

### (k) Payables (continued)

The distribution amount payable to unitholders as at the reporting date is recognised separately on the balance sheet when unitholders are presently entitled to the distributable income under the Scheme's Constitution.

### (l) Applications and redemptions

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

Unit redemption prices are determined in accordance with the Scheme's constitution by reference to the net assets of the Scheme divided by the number of units on issue.

### (m) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Scheme by third parties such as custodial services and investment management fees have been passed onto the Scheme. The Scheme qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% hence investment management fees, custodial fees and other expenses have been recognised in the income statement 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 balance sheet. Cash flows relating to GST are included in the cash flow statement on a gross basis.

### (n) Use of estimates

The Scheme 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.

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 accounts payable, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

### (o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The directors' assessment of the impact of these new standards (to the extent relevant to the Scheme) and interpretations is set out below:

#### (i) AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8 (effective from 1 January 2009)*

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding on how to allocate resources to operating segments. The Scheme has not yet determined the potential effects of the amendments.

## 2 Summary of significant accounting policies (continued)

### (o) New accounting standards and interpretations (continued)

(ii) Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)*

The revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If a Scheme has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Scheme will apply the revised standard from 1 July 2009. The Scheme has not yet determined the potential effects of the amendments.

(iii) AASB 132 *Financial Instruments: Presentation* and AASB 2008-2 *Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations Arising on Liquidation (Revised AASB 132) (effective from 1 January 2009)*

Revised AASB 132 is applicable for reporting periods beginning on or after 1 January 2009. The Scheme has not adopted this standard early. Application of this standard will not affect any of the amounts recognised in the financial statements as the Scheme is obligated to distribute all of its taxable income in accordance with the Scheme's Constitution. Accordingly, there will be no change to classification of unitholders' funds as a liability and therefore no impact on profit or loss and equity.

(iv) Improvements to Australian Accounting Standards: AASB 2008-5 and AASB 2008-6

In July 2008, the AASB issued a number of improvements to existing Australian Accounting Standards. The amendments will generally apply to financial reporting periods commencing on or after 1 January 2009, except for some changes to AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* regarding the sale of the controlling interest in a subsidiary which will apply from 1 July 2009. The Scheme does not expect that any adjustments will be necessary as the result of applying the revised rules.

(v) AASB 2009-2 *Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments (effective from 1 January 2009)*

In April 2009, the AASB published amendments to AASB 7 *Financial Instruments: Disclosures* to improve the information that entities report about their liquidity risk and the fair value of their financial instruments. The amendments require fair value measurement disclosures to be classified into a new three-level hierarchy and additional disclosures for items whose fair value is determined by valuation techniques rather than observable market values. The AASB also clarified and enhanced the existing requirements for the disclosure of liquidity risk of derivatives. The Scheme will apply the amendments from 1 July 2009. They will not affect any of the amounts recognised in the financial statements.

(vi) AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective from 1 January 2010)*

In May 2009, the AASB issued a number of improvements to existing Australian Accounting Standards. The Scheme will apply the revised standards from 1 July 2009. The Scheme does not expect that any adjustments will be necessary as the result of applying the revised rules.

(vii) AASB 2009-6 *Amendments to Australian Accounting Standards* and AASB 2009-7 *Amendments to Australian Accounting Standards (effective from 1 January 2009 and 1 July 2009, respectively)*

In June 2009, the AASB issued AASB 2009-6 and AASB 2009-7. The Standards make numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. AASB 2009-6 is applicable to annual reporting periods beginning on or after 1 January 2009 that end on or after 30 June 2009. AASB 2009-7 is applicable to annual reporting periods beginning on or after 1 July 2009. There are no changes to any of the accounting policies necessary as a result of these amendments.

**2 Summary of significant accounting policies (continued)****(p) Rounding of amounts**

The Scheme is an entity of the kind referred to in Class Order 98/100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated.

**3 Interest income**

	1 July 2008 - 30 June 2009 \$'000	21 Dec 2006 - 30 June 2008 \$'000
Cash and cash equivalents	534	82
Net gains on financial instruments held	<u>747</u>	<u>885</u>
	<u>1,281</u>	<u>967</u>

**4 Dividend/Distribution income**

	1 July 2008 - 30 June 2009 \$'000	21 Dec 2006 - 30 June 2008 \$'000
Dividends	1,142	1,026
Managed investment scheme distributions	<u>138</u>	<u>150</u>
	<u>1,280</u>	<u>1,176</u>

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

	1 July 2008 - 30 June 2009 \$'000	21 Dec 2006 - 30 June 2008 \$'000
Net unrealised gain/(loss) on held for trading securities	(32)	250
Net unrealised gain/(loss) on financial instruments designated as at fair value through profit or loss	(196)	(2,379)
Net realised gain/(loss) on held for trading securities	59	794
Net realised gain/(loss) on financial instruments designated at fair value through profit or loss	<u>(9,451)</u>	<u>235</u>
<b>Total net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<u>(9,620)</u>	<u>(1,100)</u>

## 6 Auditor's remuneration

During the year Ernst & Young conducted the audit of the Scheme. Any amounts received and receivable by Ernst & Young are expenses of the Responsible Entity.

## 7 Net assets attributable to unitholders

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

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

	1 July 2008 - 30 June 2009 No. '000	21 Dec 2006 - 30 June 2008 No. '000	1 July 2008 - 30 June 2009 \$'000	21 Dec 2006 - 30 June 2008 \$'000
<b>Net assets attributable to unitholders</b>				
Opening balance	37,328	-	34,381	-
Applications	87,852	36,661	67,074	37,012
Redemptions	(9,772)	(42)	(7,430)	(42)
Units issued upon reinvestment of distributions	1,646	709	1,516	911
Increase/(decrease) in net assets attributable to unitholders	-	-	(11,285)	(3,500)
Closing balance	<u>117,054</u>	<u>37,328</u>	<u>84,256</u>	<u>34,381</u>

### Capital risk management

The Scheme considers 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 Scheme is subject to daily applications and redemptions at the discretion of unitholders.

The Scheme'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. The ratio of liquid assets to net assets attributable to unitholders at 30 June 2009 and 30 June 2008 were as follows:

	As at	
	30 June 2009 \$'000	30 June 2008 \$'000
Liquid assets of the scheme	88,017	40,399
Net assets attributable to unitholders	84,256	34,381
Ratio of liquid assets to net assets attributable to unitholders	104.46 %	117.50 %

**8 Distributions to unitholders****Timing of distributions**

The distributions were paid/payable as follows:

	1 July 2008 - 30 June 2009 \$'000	1 July 2008 - 30 June 2009 CPU	21 Dec 2006 - 30 June 2008 \$'000	21 Dec 2006 - 30 June 2009 CPU
<b>Distribution - ordinary</b>				
30 June	-	-	208	1.032435
31 December	969	1.321807	703	2.560925
30 June payable	<u>2,121</u>	<u>1.811751</u>	<u>2,650</u>	<u>7.100520</u>
	<u>3,090</u>		<u>3,561</u>	

**9 Cash and cash equivalents**

	As at	
	30 June 2009 \$'000	30 June 2008 \$'000
Cash at bank	32,942	11,091
Deposits held with brokers for margin	-	78
	<u>32,942</u>	<u>11,169</u>

**10 Financial assets held at fair value through profit or loss**

	As at	
	30 June 2009 \$'000	30 June 2008 \$'000
<b>Held for trading</b>		
Derivatives	<u>859</u>	<u>290</u>
	<u>859</u>	<u>290</u>
<b>Designated at fair value through profit or loss</b>		
Listed equities	52,824	28,514
Preference shares	782	205
Listed unit trusts	5	511
Listed property trusts	<u>1,463</u>	-
Total designated at fair value through profit or loss	<u>55,074</u>	<u>29,230</u>
<b>Total financial assets held at fair value through profit or loss</b>	<u>55,933</u>	<u>29,520</u>

**11 Receivables**

	As at	
	30 June 2009 \$'000	30 June 2008 \$'000
Trade receivables	1,451	273
Accrued income	238	182
Unsettled applications	94	-
GST receivable	25	10
	<u>1,808</u>	<u>465</u>

**12 Payables**

	As at	
	30 June 2009 \$'000	30 June 2008 \$'000
Trade payables	3,527	1,747
Accrued expenses	88	38
Unsettled redemptions	30	-
	<u>3,645</u>	<u>1,785</u>

**13 Financial liabilities held at fair value through profit or loss**

	As at	
	30 June 2009 \$'000	30 June 2008 \$'000
<b>Held for trading</b>		
Derivatives	<u>57</u>	<u>47</u>
	<u>57</u>	<u>47</u>
<b>Designated at fair value through profit or loss</b>		
Listed equities	604	1,942
Listed property trusts	-	349
	<u>604</u>	<u>2,291</u>
<b>Total financial liabilities held at fair value through profit or loss</b>	<u>661</u>	<u>2,338</u>

## 14 Derivative financial instruments

In the normal course of business the Scheme may enter into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Scheme's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Scheme against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Scheme.

The Scheme holds the following derivative instruments:

### (a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

### (b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price. Options held by the Scheme are exchange-traded. The Scheme is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

The Scheme's derivative financial instruments at year-end are detailed below:

30 June 2009

	Contract/ notional \$'000	Fair Values	
		Assets \$'000	Liabilities \$'000
Exchange traded futures	1,843	10	-
Exchange traded options	2,679	-	57
Over the counter options	931	849	-
		859	57

**14 Derivative financial instruments (continued)**

30 June 2008	Contract/ notional \$'000	Fair Values	
		Assets \$'000	Liabilities \$'000
Exchange traded options	6,909	109	47
Over the counter options	<u>151</u>	<u>181</u>	<u>-</u>
		<u>290</u>	<u>47</u>

**15 Financial risk management****(a) Objectives, strategies, policies and processes**

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

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Scheme 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 Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ratings analysis for credit risk.

As part of its risk management strategy, the Scheme may use derivatives and other investments, including share price and bond futures, interest rate swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks, and exposures arising from forecast transactions.

**(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 three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look-through basis for investments held in the Scheme.

The sensitivity of the Scheme's net assets attributable to unitholders (and net operating profit/(loss)) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Scheme's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

**15 Financial risk management (continued)**

Net assets attributable to unitholders may include investments in debt and equity securities and related derivatives. At 30 June 2009, the overall market exposures were as follows:

	As at	
	30 June 2009 \$'000	30 June 2008 \$'000
Derivatives assets held for trading	859	290
Derivatives liabilities held for trading	(57)	(47)
Securities designated at fair value through profit or loss	55,074	29,230
Securities sold short	(604)	(2,291)
	<u>55,272</u>	<u>27,182</u>

*(i) Price risk*

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.

Price risk exposure arises from the Scheme's investment portfolio. The investments are classified on the balance sheet as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

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 Scheme's overall market positions are monitored on a regular basis by the Scheme's Investment Manager. This information and the compliance with the Scheme's Product Disclosure Statement are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

Short sales made by the Scheme involve certain risks and special considerations. Possible losses from short sales differ from losses that could be incurred from a purchase of a security, because losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested.

At 30 June 2009, if the equity and derivative prices had increased by 10% (2008: 10%) with all other variables held constant, this would have increased net assets attributable to unitholders (and net operating profit/(loss)) by approximately \$6,548,236 (2008: \$3,125,748). Conversely, if the equity and derivative prices had decreased by 10% (2008: 10%), this would have decreased net assets attributable to unitholders (and net operating profit/(loss)) by approximately \$6,548,236 (2008: \$3,498,863). The analysis is performed on the same basis for 2008.

*(ii) Foreign exchange risk*

There was no significant direct foreign exchange risk in this Scheme as at 30 June 2009 (2008: Nil).

*(iii) Interest rate risk*

There was no significant direct interest rate risk in this Scheme as at 30 June 2009 (2008: Nil).

## 15 Financial risk management (continued)

### (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.

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Scheme, other than derivatives, the Scheme's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the Balance sheet. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values.

The Scheme holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

Counterparty credit limits and the list of authorised brokers are reviewed by the relevant parties within the Responsible Entity on a regular basis as deemed appropriate.

In accordance with the Scheme's policy, the Investment Manager monitors the Scheme's credit position on a regular basis. This information and the compliance with the Scheme's policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board. All contracts are with counterparties included in the Board's Approved Counterparties list.

### (d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Investment Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Concentrations of risk are managed by industry sector for equity instruments and by counterparty for debt instruments and selected derivatives.

Concentrations of credit risk are managed by industry sector.

**15 Financial risk management (continued)**

Based on the concentrations of credit risk that are managed by industry sector, the following investments can be analysed by the following industry sector as at 30 June 2009 and 30 June 2008:

	%
<b>At 30 June 2009</b>	
Financials	25.09
Consumer Discretionary	18.55
Industrials	13.24
Health Care	11.23
Energy	8.78
Consumer Staples	6.62
Materials	5.79
Other	10.70
	%
<b>At 30 June 2008</b>	
Industrials	25.32
Material	24.27
Financials	20.73
Consumer Discretionary	10.65
Energy	7.26
Telecommunication Services	6.14
Other	5.63

**(e) 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 Scheme's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Scheme may be exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives. It therefore primarily holds investments that are traded in active markets and can be readily disposed of.

The Scheme's investments may include listed securities that are considered readily realisable, as they are listed on recognised stock exchanges.

The Scheme may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Scheme may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a deterioration in the creditworthiness of any particular issuer. No such investments were held at the balance sheet date.

Under the terms of its constitution, the Scheme has the ability to manage liquidity risk by delaying redemptions to unitholders, if necessary, until the funds are available to pay them.

In accordance with the Scheme's policy, the Investment Manager monitors the Scheme's liquidity position on a regular basis. This information and the compliance with the Scheme's policy are reported to the relevant parties on a regular basis as deemed appropriate such as compliance manager, other key management personnel, compliance committees and ultimately the Board.

**15 Financial risk management (continued)****Maturity analysis for financial liabilities**

The table below analyses the Scheme's financial liabilities, excluding gross settled derivative financial liabilities, into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month \$'000	1-12 months \$'000	More than 12 months \$'000	No stated maturity \$'000
<b>At 30 June 2009</b>				
Distributions payable	2,120	-	-	-
Payables	3,645	-	-	-
Financial liabilities held at fair value through profit or loss	<u>-</u>	<u>57</u>	<u>-</u>	<u>604</u>
<b>Total financial liabilities</b>	<u>5,765</u>	<u>57</u>	<u>-</u>	<u>604</u>
	Less than 1 month \$'000	1-12 months \$'000	More than 12 months \$'000	No stated maturity \$'000
<b>At 30 June 2008</b>				
Distributions payable	2,650	-	-	-
Payables	1,785	-	-	-
Financial liabilities at fair value through profit or loss	<u>14</u>	<u>33</u>	<u>-</u>	<u>2,291</u>
<b>Total financial liabilities</b>	<u>4,449</u>	<u>33</u>	<u>-</u>	<u>2,291</u>

**(f) Estimation of fair values of financial assets and financial liabilities**

The carrying amounts of all the Scheme's financial assets and financial liabilities at the balance sheet date approximated their fair values.

As a result of the developments in global markets, generally known as the global financial crisis, liquidity in some investment markets has decreased significantly. As a result, the volume of trading in many of the investments held by the Scheme has decreased significantly, and accordingly the valuation of those investments is subject to a greater uncertainty and requires greater judgement than would be the case in normal investment market circumstances.

For the years ended 30 June 2009 and 30 June 2008, the Scheme did not include financial assets and financial liabilities that were determined using valuation techniques. The fair values of the Scheme's financial assets and liabilities for the years 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.

## 16 Related party transactions

### Responsible entity

The Responsible Entity of Antares Lodestar Absolute Return Trust - Australian Shares is Antares Managed Investments Ltd.

### Key management personnel

Key management personnel includes persons who were directors of Antares Managed Investments Ltd at any time during the financial period as follows:

BA Baker, RJ Brown, PJ Carre, JA Gee, SJ Lambert and TA McVicar.

### Key management personnel unitholdings

At 30 June 2009 no key management personnel held units in the Scheme.

### Key management personnel compensation

Key management personnel are paid by the parent entity, National Australia Bank Limited. Payments made from the Scheme to Antares Managed Investments Ltd do not include any amounts attributable to the compensation of key management personnel.

### Key management personnel loan disclosures

The Scheme has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

### Responsible Entity's/manager's fees and other transactions

Under the terms of the Scheme Constitution, the Responsible Entity is entitled to receive management fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders) of the Scheme as follows:

	1 July 2008 - 30 June 2009 \$'000	21 Dec 2006 - 30 June 2008 \$'000
Management fees for the period paid and payable by the Scheme to the Responsible Entity	<u>556</u>	<u>504</u>

**16 Related party transactions (continued)****Related party schemes' unitholdings**

Parties related to the Scheme (including Antares Managed Investments Ltd, its related parties and other schemes managed by Antares Managed Investments Ltd), held units in the Scheme as follows:

**1 July 2008 -  
30 June 2009**

Unitholder	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 Scheme (\$)
C Saunders	0.00	104	10	-	114	9
National Australia Bank Limited	19.04	20,702,323	1,589,503	-	22,291,826	1,764,627

**21 December 2006 -  
30 June 2008**

Unitholder	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 Scheme (\$)
C Saunders	0.00	-	104	-	104	11
National Australia Bank Limited	55.43	-	20,702,323	-	20,702,323	2,193,736

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

	1 July 2008 - 30 June 2009 \$'000	21 Dec 2006 - 30 June 2008 \$'000
<b>(a) Reconciliation of net profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Net profit/(loss)	-	-
Increase/(decrease) in net assets attributable to unitholders	(11,285)	(3,500)
Net proceeds/(purchases) of financial instruments held at fair value through profit or loss and derivative financial instruments	(37,086)	(26,796)
Net (gains)/losses on financial instruments held at fair value through profit or loss	9,620	1,100
Distributions to unitholders	3,090	3,561
Net change in receivables and other assets	(71)	(192)
Net change in payables and other liabilities	50	38
Reinvested income	(22)	(12)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(35,704)</b>	<b>(25,801)</b>
<b>(b) Components of cash and cash equivalents</b>		
Cash as at the end of the financial period as shown in the cash flow statement is reconciled to the balance sheet as follows:		
Cash and cash equivalents	<u>32,942</u>	<u>11,169</u>
	<u>32,942</u>	<u>11,169</u>
<b>(c) Non-cash financing and investing activities</b>		
During the period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan		
	<u>1,516</u>	<u>911</u>
	<u>1,516</u>	<u>911</u>

**18 Segment information**

The Scheme is organised into one main segment which operates solely in the business of investment management within Australia. Consequently, no detailed segment reporting is provided in the Scheme's financial statements.

While the Scheme operates from Australia only (the geographical segment), the Scheme may have investment exposures in different countries and across different industries.

**19 Events occurring after the balance sheet date**

No significant events have occurred since balance date which would impact on the financial position of the Scheme disclosed in the balance sheet as at 30 June 2009 or on the results and cash flows of the Scheme for the year ended on that date.

**20 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets and liabilities as at 30 June 2009 and 30 June 2008.

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial report and notes set out on pages 6 to 29 are in accordance with the *Corporations Act 2001*, including
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true view of the Scheme's financial position as at 30 June 2009 and of its performance, as represented by the results of its operations and cash flows for the period ended on that date.
- (b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.
- (c) the financial report is in accordance with the Scheme Constitution.

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



Director

B.A. BAKER

17 September 2009

## Independent auditor's report to the unitholders of Antares Lodestar Absolute Return Trust - Australian Shares

We have audited the accompanying financial report of Antares Lodestar Absolute Return Trust - Australian Shares, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year 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 registered scheme are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### ***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 our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

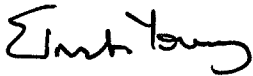
### ***Independence***

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the registered scheme a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

### **Auditor's Opinion**

In our opinion:

1. the financial report of Antares Lodestar Absolute Return Trust - Australian Shares is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of Antares Lodestar Absolute Return Trust - Australian Shares at 30 June 2009 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.



Ernst & Young



A J (Tony) Johnson

Partner

Melbourne

17 September 2009