

Victorian Traditional Owners Trust

ABN 93 731 388 312

REPORT CARD FOR THE YEAR ENDING 30 JUNE 2015

DJA DJA WURRUNG PEOPLE

The Victorian Traditional Owners Trust (the Trust) was established on 13 September 2011 by Deed between the Attorney General of Victoria and the Trustee, Victorian Traditional Owners Funds Ltd (the Trustee Company).

The directors of the Trustee Company present this report on the Trust for the financial year ended 30 June 2015.

Directors

The names of each person who has been a director of the Trustee Company since the company was incorporated and to the date of this report are:

Mark William Sibree

Elizabeth Helen Eldridge

Gary Andrew Lennon

Principal Activities

The Trust was established for charitable purposes to benefit the Aboriginal people of Victoria. The State of Victoria established a Native Title Settlement Framework to reach agreements with Traditional Owners. The agreements are formalised through the execution of Participation Agreements.

The State of Victoria reached a settlement with the Dja Dja Wurrung people on 28 March 2013 and the Participation Agreement was executed on 5 December 2013. In terms of this Participation Agreement the State of Victoria has paid a settlement amount to the Trust of \$5m. The Dja Dja Wurrung people are represented by the Traditional Owner Group Entity the Dja Dja Wurrung Clans Aboriginal Corporation Ltd (DDWCAC).

The principal activity of the Trust is to invest settlement funds received on behalf of the beneficiaries.

The Trustee Company has developed a tailored investment strategy for DDWCAC and invested the funds with Victorian Funds Management Corporation (VFMC).

The investment strategy was adopted by the Trustee Company after a series of meetings with DDWCAC. At these meetings DDWCAC outlined its long term and short term investment objectives and its tolerance for risk.

Given DDWCAC's objectives of regular drawdowns and the preservation of the amount of the capital sum (\$5m) at the end of 20 years and its risk tolerance, the Trustee Company has invested in a basket of VFMC funds. The actual return of the funds will be determined by a wide range of market driven factors and will vary over time.

Victorian Traditional Owners Trust

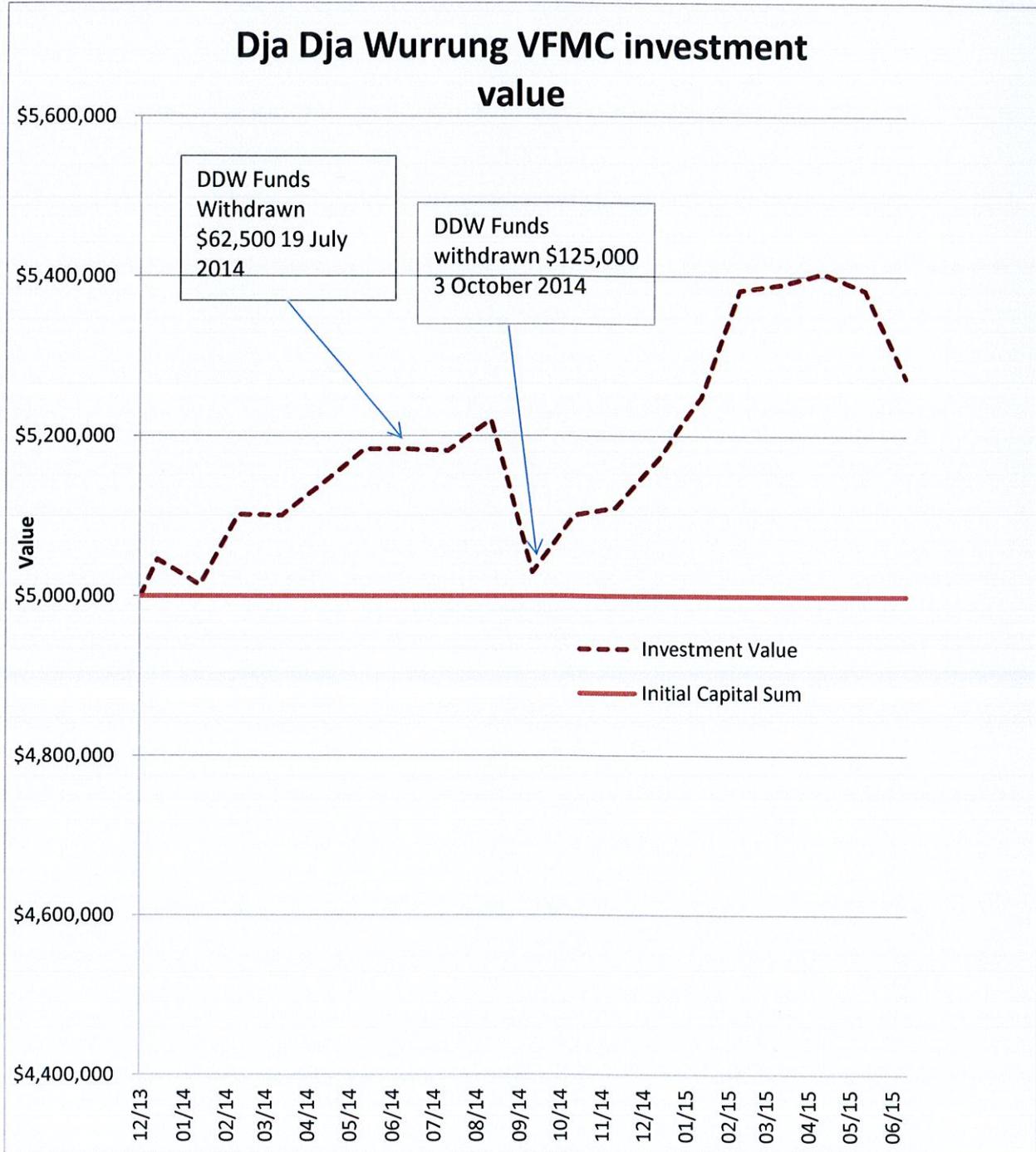
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Report on Operations and Activities

The chart below shows the value of the DDWCAC fund since it was invested with the Trust in December 2013.



The dotted line shows the actual value of the fund allowing for the actual return achieved and

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takes account of the distributions made to DDWCAC. The dip in the dotted line in the last quarter of 2014/15 reflects the negative investment return for that quarter. The fund produced a return after all fees of 5.47% for the 2015 year. VFMC's fees (the Management Expense Ratio or MER) were an average of 0.495%. Apart from audit fees (to the Victorian Auditor-General's Office) and bank fees, the Trust incurred no other costs.

VFMC advised that for 2014/15 asset market returns were overall solid, despite the rising macro and market volatility. The June quarter was a difficult period for financial markets with heightened volatility across all asset classes. The escalating sovereign debt crisis in Greece, rising global bond yields, ongoing economic weakness and sharply higher equity market volatility in China combined to unsettle markets. The Australian equity market underperformed in the quarter.

VFMC's view is that whilst returns for the coming year are expected to be positive, they will be lower than in previous years.

The funds were invested and valued in the following VFMC Funds as at 30 June 2015:

	2015	2014
	\$	\$
VFMC Capital Stable	2,675,344	2,605,053
VFMC Balanced	2,597,693	2,578,448
Subtotal	5,273,037	5,183,501
Other bank account less accrued expenses	(1,932)	146
Total Assets	5,271,105	5,183,647

The original settlement amount was \$5m and over the life of the investment the investment return after expenses has been \$458,605. Distributions have been \$187,500.

Report on Significant Changes and Likely developments

It is proposed to separate the Trust into separate Trusts for each Traditional Owner Group. This will involve the creation of a separate Trust for the Dja Dja Wurrung people and the transfer of its investment assets to that Trust. It is expected that this will occur during the 2015/ 2016 financial year.

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Major Financial and Performance Statistics

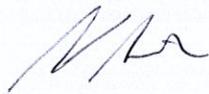
The table below sets out a summary of the financial results for the year.

		2015	2014
		\$	\$
Equity at Beginning		5,183,647	-
add	Settlement Amount	-	5,000,000
add	Investment Return	276,557	183,501
	Interest Received	112	1,101
		<u>276,669</u>	<u>184,602</u>
Subtotal		<u>5,460,316</u>	<u>5,184,602</u>
less	Audit Fees	(1,614)	(917)
	Bank Charges	(97)	(38)
		<u>(1,711)</u>	<u>(955)</u>
Subtotal		<u>5,458,605</u>	<u>5,183,647</u>
less	Distributions Made	(187,500)	-
Equity at End		<u><u>5,271,105</u></u>	<u><u>5,183,647</u></u>

Report on distributions made to DDWCAC.

During the financial year distributions of \$187,500 were made to DDWCAC to fund its activities.

As approved by the Board.



Mark Sibree
Chairman



Stephen Adrian
Secretary

Dated 16 November

2015