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Appendix 4D

Half Year Report
for Period ended 31 December 2021

Name of Entity	**HHY Fund**
ARSN:	112 579 129
Period Ended:	31 December 2021
Previous Corresponding Reporting Period:	Financial year ended 30 June 2021 Half-year ended 31 December 2020

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2021 $	Percentage increase /(decrease) over corresponding period
Revenues from continuing operations	759,185	(9.99%)
Profit for the year	633,662	(13.66%)
Net profit for the year attributable to members	633,662	(13.66%)

Distribution information	Cash per unit	Franked amount per unit
Final June 2021	$Nil	$Nil
Interim December 2021	$Nil	$Nil

Interim distribution dates	
Ex-entitlement date	Not Applicable
Record date	Not Applicable
Last election date for the DRP	Not Applicable
Payment date	Not Applicable

Net Tangible Asset Backing

	31 December 2021	31 December 2020
Net tangible assets per security	$0.0687	$0.0581

There was no gain or loss of control of entities during the current period.

This report is based on the interim financial report as at 31 December 2021 which has been subject to independent review by the auditors, Grant Thornton. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2021 Annual Financial Report.

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HHY Fund

ARSN 112 579 129

Interim Financial Report

For the half-year ended 31 December 2021

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HHY Fund
Directors of Aurora Funds Management Limited ("AFML") (ABN 69 092 626 885), (the "Responsible Entity") of HHYs' report
31 December 2021

The Directors of Aurora Funds Management Limited ("AFML") (ABN 69 092 626 885), (the "Responsible Entity") of HHY Fund ("the Trust"), present their half year report together with the condensed consolidated financial statements of HHY Fund, consisting of the Trust and the entity it controlled at the end of, or during the 6 months ended 31 December 2021, and the auditor's review report thereon.

Principal activities
The principal activities of the Trust during the financial half-year were investing the Trust monies in accordance with its investment objectives and guidelines as set out in the investment strategy and in accordance with the provisions of the Trust Constitution.

The Trust did not have any employees during the half-year.

The Trust is currently listed on the Australian Securities Exchange (ASX: HHY). The securities of the Trust have been suspended from quotation since 27 February 2020. AFML has been actively working with the ASX since that time to have the suspension lifted.

There were no significant changes in the nature of the Trust's activities during the half-year.

Directors

The following persons held office as directors of Aurora Funds Management Limited during the half-year and up to the date of this report, unless otherwise stated:

John Patton
Victor Siciliano
Anthony Hartnell AM

Units on issue

	31 December 2021	30 June 2021
Units on issue	81,008,608	81,008,608

Review and results of operations

During the half-year, the Trust continued to invest in accordance with the target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution and any Trust updates on the ASX.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID – 19) as a pandemic, which continues to spread globally. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is considerable uncertainty regarding the breadth and duration of the business disruptions related to COVID-19. COVID-19 continued to have an impact on both the Australian and International markets during the half year ended 31 December 2021.

The Trust continues to monitor the performance of its investments closely, and in-particular the loans receivable from RNY Australia Operating Company LLC ("RAOC") as well as the investment in RNY shares. RAOC has specific exposure to the United States Commercial Property Market. On 29 June 2020, Keybridge Capital Limited ("Keybridge") announced its intention to make an off-market all scrip takeover bid for RNY at an implied offer price of $0.011 per RNY unit ("Keybridge Offer"), which closed on 13 August 2021 with Keybridge having acquired 27.7% of the ordinary units in RNY at that time.

Financial results for the half-year

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

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	Half-year ended	
	31 December 2021 $	31 December 2020 $
Operating profit/(loss) before finance costs attributable to unitholders	633,662	733,944
Distributions paid and payable	-	-
Distribution (cents per unit) 30 September	-	-
Distribution (cents per unit) 31 December	-	-

Financial position

Net Tangible Assets ("NTA") per unit as disclosed to the ASX are shown as follows:

	31 December 2021 $	30 June 2021 $
At reporting period	0.0687	0.0607
High during period	0.0687	0.0641
Low during period	0.0600	0.0480

Based on the reviewed financial statements of the Trust for the half-year ended 31 December 2021, the NTA at 31 December 2021 is $0.0685 per unit.

Information on Underlying Performance
The performance of the Trust is subject to the performance of the Trust's underlying investment portfolio. There has been no change to the investment strategy of the Trust during the half-year, and the Trust continues to invest in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution and any Trust updates on the ASX.

Strategy and Future Outlook
The Trust continues to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust 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 Trust 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 Trust.

Significant changes in state of affairs
Since 2 July 2018 AFML, in its capacity as the Investment Manager of RNY, has been actively working to create value from its investment in RNY, including by working with the US lender of the underlying five (5) US commercial properties held by RNY, working with the property sub-manager to attract new tenants, and working with various stakeholders to improve the properties.

For the half-year ended 31 December 2021, the Trust has adopted significant judgements and estimates to calculate the fair value of this investment. The key sources of estimation uncertainty and fair value measurement in relation to RNY are outlined in Note 3.

In the opinion of the Directors, other than the matters already referred to in this report, there were no significant changes in the state of affairs of the Trust that occurred during the half-year.

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Matters subsequent to the end of the financial year
On 7 January 2022, a loan of $435,000 was provided by HHY Fund to RNY Australia Operating Company LLC (RAOC) which matures on 6 January 2025. The annual interest rate of 15% is calculated on the principal drawn down only. At the date of this agreement, there is no Guarantor.

Other than the changes mentioned above, no other matters or circumstances have arisen since 31 December 2021 that have significantly affected, or may significantly affect:

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

Indemnity and insurance of Aurora Funds Management Limited
No insurance premiums have been paid for out of the assets of the Trust in relation to insurance cover provided to either the officers of Aurora Funds Management Limited or the auditors of the Trust. So long as the officers of Aurora Funds Management Limited act in accordance with the Trust Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust.

Indemnity of auditors

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

Cost recovery and interests held in the Trust by the Responsible Entity or its associates

Costs recovered by the Responsible Entity and its associates out of Trust property during the half-year are disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

No fees were paid out of Trust property to the Directors of the Responsible Entity during the half-year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial half-year are disclosed in Note 8 to the financial statements.

Interests in the Trust

The movement in units on issue in the Trust during the half-year is disclosed in Note 5 of the financial statements.

The values of the Trust'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.

Environmental regulation

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

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The Trust was not a party to any such proceedings during the half-year.

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 the following page.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

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On behalf of the directors

John Patton
Managing Director
28 February 2022
Melbourne

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Auditor's Independence Declaration

To the Directors of Aurora Funds Management Limited as the Responsible Entity of HHY Fund

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of HHY Fund for the half-year ended 31 December 2021, 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 review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 28 February 2022

Financial Statement

Condensed Consolidated statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2021

	Note	Consolidated Half-year ended 31 December 2021 $	31 December 2020 $
Investment income			
Interest income		89,984	50,525
Dividend and distribution income		2,188	70
Net foreign currency gains/(losses)	10	-	19,048
Net gains/(losses) on financial instruments held at fair value through profit or loss	10	667,013	773,822
Total net investment income/(loss)		759,185	843,465
Expenses			
Recoverable costs of Responsible Entity	8	62,559	62,559
Audit and tax fees		13,815	13,815
Other operating expenses	9	49,149	33,147
Total operating expenses		125,523	109,521
Operating profit/(loss) for the half-year		633,662	733,944
Finance costs attributable to unitholders			
Distributions to unitholders		-	-
Decrease/(increase) in net assets attributable to unitholders	5	(633,662)	(733,944)
Profit/(loss) for the half-year		-	-
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year		-	-
Earnings/(loss) per unit (basic/ diluted)		0.008	0.003

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Financial Statement

Condensed Consolidated Statement of Financial Position
As at 31 December 2021

		Consolidated As at	
	Note	31 December 2021 $	30 June 2021 $
Assets			
Cash and cash equivalents		368,952	2,011
Loans and Receivables	6	1,532,137	1,442,697
Financial assets held at fair value through profit or loss	7	3,720,842	3,517,505
Total assets		5,621,931	4,962,213
Liabilities			
Other payables		73,850	47,794
Total liabilities (excluding net assets attributable to unitholders)		73,850	47,794
Net assets attributable to unitholders – liability		5,548,081	4,914,419
Liabilities attributable to unitholders		(5,548,081)	(4,914,419)
Net assets		-	-

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Financial Statement

Condensed Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2021

		Consolidated Half-year ended	
	Note	31 December 2021 $	31 December 2020 $
Balance at the beginning of the financial year		-	-
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-
Transactions with unitholders in their capacity as unitholders		-	-
Total operating expenses		-	-
Total equity at the end of the period		-	-

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

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Financial Statement

Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2021

		Consolidated Half-year ended	
	Note	31 December 2021 $	31 December 2020 $
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		509,873	56,847
Purchase of financial instruments held at fair value through profit or loss		(64,953)	(20,014)
Dividends and distributions received		21,545	70
GST recovered		7,831	4,533
Recoverable costs of Responsible Entity		(79,800)	(62,559)
Other operating expenses paid		(27,555)	(77,768)
Net cash inflow/(outflow) from operating activities		366,941	(98,891)
Cash flows from investing activities			
Proceeds from return of Capital - Yowie Group Limited		-	1,053,066
Loans Advanced to RNY Australia Operating Company		-	(780,000)
Net cash inflow/(outflow) from investing activities		-	273,066
Net increase/(decrease) in cash and cash equivalents		366,941	174,175
Cash and cash equivalents at the beginning of the period		2,011	371
Cash and cash equivalents at the end of the period		368,952	174,546

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Note 1. General information

These condensed consolidated interim financial statements cover HHY Fund (the "Trust") as an individual entity together with its subsidiaries (the "Group"). The Trust commenced operations on 19 January 2005, and is domiciled in Australia.

The Responsible Entity of the Trust is Aurora Funds Management Limited (the "Responsible Entity"). The Responsible Entity's registered office is Suite 613, Level 6, 370 St Kilda Road, Melbourne VIC 3004. The financial statements are presented in Australian currency.

The Investment Manager of the Trust is Aurora Funds Management Limited.

On 31 July 2007, HHY International Holdings 1 Pty Ltd was incorporated in Australia as a company limited by shares. It has been 100% owned since the date of incorporation by the Trust.

It is recommended that these condensed interim financial statements are considered together with current ASX announcements and in accordance with the provisions of the governing documents of the Trust, and any public announcements made by the Trust during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and ASX listing rules.

The principal activities of the Trust during the half-year were investing the Trust monies in accordance with its investment objectives and guidelines as set out in the investment strategy and in accordance with the provisions of the Trust Constitution.

The condensed interim financial statements were authorised for issue by the directors of the Responsible Entity as at the date of the directors' report. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

Note 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of this condensed interim financial report are set out below.

These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) New and amended standards

The Trust has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Basis of preparation

The accounting policies applied by the Trust in this condensed interim financial report are the same as those applied by the Trust in its Financial Report as at, and for, the year ended 30 June 2021.

Receivables

The Trust recognizes an allowance for Expected Credit Losses (ECLs) for all receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Trust expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loan receivables are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less expected credit losses ("ECLs") if any. AASB 9's impairment requirements use more forward looking information to recognize ECLs - the "expected credit losses model". Instruments within the scope of the new requirements loans and other debt-type financial assets measured at amortised cost, and trade receivables.

The Trust considers a broader range of information when assessing credit risk and measuring expected credit losses, including events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of instrument.

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Note 2. Summary of significant accounting policies (continued)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life the financial instrument.

Other receivables may include amounts for dividends, interest, trust distributions 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 end of each reporting period from the time of last payment. Amounts are generally due for settlement within 30 days of being recorded as receivables. For other receivables, the Trust applies a simplified approach in calculating ECLs. Therefore, the Trust does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date

Statement of compliance

The condensed consolidated interim financial statements are a general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the annual financial report as at, and for, the year ended 30 June 2021.

The condensed consolidated interim financial statements comply with IAS 34 Interim Financial Reporting.

The condensed consolidated interim financial statements were authorised for issue by the directors as at the date of the directors' report. The Directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

(c) Basis of consolidation

The condensed consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Trust as at 31 December 2021 and the results of all subsidiaries for the half-year then ended. The Trust and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All transactions (including gains and losses) and balances between entities in the consolidated group are eliminated.

Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the assets transferred.

The condensed consolidated financial statements of subsidiaries are prepared for the same reporting period as the Trust, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

(d) Parent entity financial information

The financial information for the Trust, as disclosed in Note 11, has been prepared on the same basis as the consolidated financial statements.

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Note 3. Use of estimates and judgements

In preparing these interim financial statements, management may make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

RNY Australia Operating Company LLC

HHY has loans outstanding to RNY Australia Operating Company LLC ("US LLC"). The subordinated loans to RAOC are considered to be recoverable, taking into consideration a range of external third-party information including independent property valuations and external broker opinions of value for the RNY properties.

The Directors have determined to carry the Trust's investment in RNY Property Trust ("RNY") at $0.011 (being 1.1 cents) per unit at 31 December 2021. In reaching this position, the Directors considered the following factors:

- RNY was removed from the Official List on 26 February 2021.

- During the half-year, the RNY issued units at 1.1 cents per unit.

- On 29 June 2020, Keybridge Capital Limited ("Keybridge") announced its intention to make an off-market all scrip takeover bid for RNY at an implied offer price of $0.011 per RNY unit ("Keybridge Offer"), with its Bidder's Statement being dispatched on 28 August 2020. The Keybridge Offer closed at 7:00pm on 13 August 2021, with Keybridge having acquired 27.7% of the ordinary units in RNY at that time.

Having regard to the above factors, and as consequence of (i) the acceptances into the Keybridge Offer and (ii) the new units issued by RNY during the half year ended 31 December 2021, the price of $0.011 per RNY unit is now the most readily observable price for RNY securities. Therefore, the Directors have determined a fair value of $0.011 per unit in RNY.

The Trust has loans receivable from RNY Australia Operating Company ("RAOC") of $1,260,000 (June 2021: $1,260,000) at 31 December 2021. The Directors consider the loans owing by RAOC and RNY to the Trust at 31 December 2021 to be fully recoverable and therefore there is no Expected Credit Loss associated with these loans.

For the half-year ended 31 December 2021, the Trust has adopted significant judgements and estimates to calculate the fair value of this investment.

Note 4. Fair value measurement

The Trust measures and recognises the following assets and liabilities at fair value on a recurring basis through profit of loss ("FVTPL").

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

Fair value hierarchy

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Trust values its investments in accordance with the accounting policies within this note to the financial statements. For the majority of its investments, the Trust relies on information provided by independent pricing services for the valuation of its investments.

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Note 4. Fair value measurement (continued)

The quoted market price used for financial assets held by the Trust is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

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, reference to the current fair value of a substantially similar other instrument, 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 end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Trust holds.

The following tables detail the Trust's assets and liabilities, measured or disclosed at fair value as at the half-year ended 31 December 2021 and the year ended 30 June 2021, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

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Note 4. Fair value measurement (continued)

31 December 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	3,561,315	-	-	3,561,315
Unlisted equity securities	-	150,000	-	150,000
Listed equity options	-	-	9,527	9,527
Total financial assets	3,561,315	150,000	9,527	3,720,842
Financial liabilities				
Financial liabilities designated at fair value through profit or loss:				
Listed equity securities sold short	-	-	-	-
Total financial liabilities	-	-	-	-

30 June 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	3,333,727	-	-	3,333,727
Unlisted equity securities	-	150,000	-	150,000
Listed equity options	-	-	33,778	33,778
Total financial assets	3,333,727	150,000	33,778	3,517,505
Financial liabilities				
Financial liabilities designated at fair value through profit or loss:				
Listed equity securities sold short	-	-	-	-
Total financial liabilities	-	-	-	-

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and certain listed unit trusts.

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Note 5. Net assets attributable to unitholders

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

	31 December 2021 No.	30 June 2021 No.	31 December 2021 $	30 June 2020 $
Opening balance	81,008,608	81,008,608	4,914,419	3,971,138
Increase/(decrease) in net assets attributable to unitholders	-	-	633,662	943,281
Closing balance	81,008,608	81,008,608	5,548,081	4,914,419

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

Note 6. Loans and Receivables

	As at	
	31 December 2021 $	30 June 2021 $
Loan to RNY Australia Operating Company LLC - Principal	1,260,000	1,260,000
Loan to RNY Australia Operating Company LLC - Interest	248,258	158,274
Other Receivables	23,879	24,423
Total Receivables	1,532,137	1,442,697

Refer to Note 3 for further information regarding the recoverability of the above loans.

Note 7. Financial assets held at fair value through profit or loss

	As at	
	31 December 2021 $	30 June 2021 $
Financial assets held at fair value through profit or loss		
Australian listed equity securities	3,560,332	3,332,841
Australian unlisted equity securities	150,000	150,000
Equity Options	9,527	33,778
Contracts for difference	-	-
International equity securities	983	886
Total financial assets	3,720,842	3,517,505

Note 8. Related party transactions

Responsible Entity

The Responsible Entity of HHY Fund is Aurora Funds Management Limited.

Key management personnel unitholdings

As at 31 December 2021, Victor Siciliano held a direct interest in 237,655 (30 June 2021: 237,655) units in the Trust and an indirect interest in 241,500 (30 June 2021 241,500) units in the Trust via VFS Superannuation Fund

Note 8. Related party transactions (continued)

As at 31 December 2021, Mr Anthony Hartnell, Non-Executive Director, held 360,369 (30 June 2021: 360,369) units in the Trust.

Key management personnel compensation

Key management personnel are paid by Aurora Funds Management Limited. Payments made from the Trust to Aurora Funds Management Limited do not include any amounts directly attributable to the compensation of key management personnel.

Other related party information

Aurora Corporate

Aurora Corporate Pty Ltd (formerly Seventh Orion Pty Ltd) as Trustee for the Aurora Investments Unit Trust (Aurora Corporate) owns 100% of the ordinary shares of Aurora Funds Management Limited, being the Responsible Entity of HHY Fund.

Aurora Corporate Pty Ltd is 50% owned by Mr John Patton, the Managing Director of Aurora Funds Management Limited, with the other 50% owned by Mr Victor Siciliano, Executive Director and Portfolio Manager.

Directorships

Mr John Patton was appointed to the Boards of the following listed entities held by other managed investment schemes also managed by the Responsible Entity:

- Mr Patton was appointed to the Board of Metgasco Ltd (ASX: MEL) as a Non-Executive Director on 19 September 2016. The Trust holds an investment in Metgasco Ltd of 42,222,701 units (2020 : 41,390,181 units), the fair value of which is $1,182,236 (2020 :$1,200,315).
- Mr Patton was appointed to the Board of Yowie Group Ltd (ASX: YOW) as a Non-Executive Director on 5 February 2021. The Trust holds an investment in Yowie Group Ltd of 26,326,643 units, the fair value of which is $1,079,392
- Mr Patton was appointed to the Board of Molopo Energy Limited as a Non-Executive Director on 5 July 2021. The Trust does not hold an investment in Molopo Energy Limited.

Investments

The Trust holds 13,636,364 units in RNY Property Trust. Aurora Funds Management Limited was appointed as Investment Manager of RNY Property Trust on 2 July 2018.

Responsible entity's/manager's fees and other transactions

Under the terms of the Trust Constitution, the Responsible Entity is entitled to be reimbursed for expenses and costs incurred in performing its role as Responsible Entity.

Loans

The Trust has advanced loans totalling $1,260,000 to RNY Australia Operating Company LLC at 31 December 2021, (June 2021: 1,260,000). Interest is payable on these loans at 12%-15% per annum. The loans are unsecured. For the half-year ended 31 December 2021 interest of $89,984 was accrued on these loans for the half year. ($50,525 for the half-year ended 31 December 2020).

The transactions during the year and amounts payable at half-year end between the Trust and the Responsible Entity were as follows:

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Note 8. Related party transactions (continued)

	Half-year ended	
	31 December 2021 $	31 December 2020 $
Recoverable costs of Responsible Entity for the year paid/payable by the Trust to the Responsible Entity	62,559	62,559
Balance owing to the Responsible Entity at the end of the reporting period	55,914	18,186

No amounts were paid by the Trust directly to the key management personnel of Aurora Funds Management Limited.

Note 9. Other operating expenses

	Half-year ended	
	31 December 2021 $	31 December 2020 $
Bank fees	51	102
ASX fees	25,581	-
Interest expense	2	3,543
Other expenses	23,515	29,502
Total other operating expenses	49,149	33,147

The Trust incurred operating expenses in the preparation of accounting records and the maintenance of the unit register in accordance with the Trust Constitution.

Note 10. Net (losses)/gains on financial instruments held at fair value through profit or loss

	31 December 2021 $	31 December 2020 $
Net gains/(losses) on financial instruments held at fair value through profit or loss	667,013	773,822
Net foreign exchange gains on cash and cash equivalents	-	19,048
Total net gains/(losses) on financial instruments held at fair value through profit or loss	667,013	792,870

Note 11. Parent entity financial information

	31 December 2021 $	30 June 2021 $
Total assets	5,621,931	4,962,213
Total liabilities	(73,850)	(47,794)
Net assets attributable to unitholders	5,548,081	4,914,419

Note 12. Contingent assets and liabilities

There were no contingent assets and liabilities at 31 December 2021 (30 June 2021: Nil).

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Note 13. Events occurring after the reporting period

On 7 January 2022, a loan of $435,000 was provided by HHY Fund to RNY Australia Operating Company LLC (RAOC) which matures on 6 January 2025. The annual interest rate of 15% is calculated on the principal drawn down only. At the date of this agreement, there is no Guarantor.

Other than the changes already mentioned, no significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust disclosed in the Condensed Consolidated Statement of Financial Position as at 31 December 2021 or on the results and cash flows of the Trust for the half-year ended on that date.

The most recent Net Asset Value (NAV) per unit disclosed to the ASX is 6.71 cents per unit as at 31 January 2022

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Director's Declaration

The Directors of the Responsible Entity declare that:

(a) In the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;

(b) In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards as stated in Note 2 to the condensed consolidated financial statements;

(c) In the directors' opinion, the attached condensed consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and

(d) The directors have been given the declarations of the Responsible Entity made pursuant to s295(5) of the *Corporations Act 2001.*

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

On behalf of the Responsible Entity, Aurora Funds Management Limited.

John Patton
Managing Partner
28 February 2022

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Independent Auditor's Review Report

To the Unitholders of HHY Fund

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of HHY Fund (the Fund), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of HHY Fund does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the HHY Fund's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the half-year financial report

The directors of Aurora Funds Management Limited ("AFML") (ABN 69 092 626 885), in its capacity as the responsible entity of HHY Fund (the Fund) are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Grant Thornton

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Trust's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 28 February 2022

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