

Grow with us



**FIJIAN HOLDINGS UNIT TRUST
ANNUAL REPORT SUMMARY
2015**



**FIJIAN HOLDINGS
UNIT TRUST**

White I Live, I Grow



CHAIRMAN'S REPORT

The net income distributed for the financial year ending 30 June 2015 reflected a positive year for the Fund, Fijian Holdings Unit Trust (FHUT) with a distribution of \$4.12 million as compared to \$3.17 million for the same period last year (FY2014), which is an increase of 30%.

Dear Unit Holders:

I am pleased to present to you our Annual Report for the financial year ending 30 June 2015. During the year, we experienced significant changes and challenges, to adapt to volatile and challenging situations. This is mainly due to the quality and the experience of our people.

The net income distributed for the financial year ending 30 June 2015 reflected a positive year for the Fund, Fijian Holdings Unit Trust (FHUT) with a distribution of \$4.12 million as compared to \$3.17 million for the same period last year (FY2014), which is an increase of 30%.

The reduction in the minimum initial entry from 250 units to 100 units, was attributed to the massive increase in our unit holders which made it more affordable. This has presented those at the grass root level the opportunity to invest and grow their wealth with us over time

Despite the strong competition in the market, I am confident that our overall financial performance will be maintained in the future years.

Economic Outlook:

The forecast of the Fiji's economy is to grow by 4.30% this year, an upward revision from the earlier growth forecast of 4% announced in the 2015 National Budget. If achieved, this will be Fiji's sixth consecutive year of positive growth and third consecutive year of growth above 4%.

Growth this year is projected to be broad-based with positive contributions from all sectors of the economy. The construction; finance & insurance; wholesale & retail; manufacturing; information & communication; agriculture; transport & storage; accommodation & food services and the public administration & defence sectors are forecast to be the main drivers of growth in 2015.

Five Year Strategic Plan:

FHL Fund Management Limited (FHL FML) the manager of FHUT has completed its' 5 year Strategic Plan (FY2014 – FY2018). This is directly linked to the Capital Markets Development Master Plan (2015–2025) which aims to "increase the number of adult investors in the capital markets to 100,000".

With this in mind, FHL FML has successfully completed the development of its new registry system which is a core part of its five year strategic plan. The new registry system was successfully implemented to drive the final dividend payout for 2015. Accessibility of the new registry system will be available Fiji wide and the migration of existing client information manually stored, will be accessed from the new EDMS platform. FHL FML will further decentralize its operations, and explore options to expand into the South Pacific region.

FHUT Results FY2015:

During the year, FHUT portfolio grew to \$7707 million from \$59.50 million in FY 2014. This is a 29% growth. Concurrently the total number of unit holders grew from 4,469 to 6,449, an increase of 44%.

FHUT paid out a record dividend of \$4.12 million compared to \$3.17 million in FY2014, a positive growth of 30%. The dividend return of 5.34% was also recorded in FY2015 with a negative growth of 1.70%. The fund has paid out a total of \$23 million in dividends to unit holders since its inception. Despite the challenging economic conditions, FHUT has showed positive results through the years.

Investments:

In the 2015 financial year, FHUT has made new investments in Life Cinema Limited and Pernix (Fiji) Limited. This is the first time the fund has invested in the entertainment and power industry. This has enabled FHUT to diversify its investment further to meet regulatory benchmarks and help increase our dividend return.

Future:

During the financial year, a significant number of changes and reviews were undertaken to ensure that the Fund remained competitive and maintain sustainable growth. This includes exploring FHUT investment offshore.

FHL FML anticipates that FY2016 will be another challenging year for the Fund; however we are committed to ensuring that viable investment opportunities are explored to provide a favourable return on your investment.

**Appreciation:**

On behalf of the Board, I extend my appreciation to the Trustees of the Fund, FHL Trustees Limited. The outgoing trustees Mr. Sakiasi Seru and Mr. Arun Narsey for their past contribution and support which has contributed to this years' success. To the current Trustees , Mr. Inia Naiyaga, Mr. Nesbitt Hazelman and Mrs. Seruwaia Hong-Tiy for their support and dedications which has contributed to the positive growth of the Fund going forward.

Furthermore I would also like to thank my fellow Directors; Mr. Robin Yarrow, Mr. Nouzab Fareed and Ms. Catherine Grey for their valuable contributions during the year. I also welcome the new directors on Board Mr. Sakiasi Seru and Mr. Craig Strong and believe their experience and knowledge will be an asset to the growth of the Fund.

A special recognition to our service providers for their cooperation in the promotion of our product. They have also contributed to the increase of our portfolio. I also acknowledge the dedication and courage of the management team of FHL FML for their determination, commitment and passion to drive the fund.

Finally, I would like to record my appreciation to you, our unit holders for your faith and confidence in us, the Board, the Trustees and the Management team. This has resulted in another successful year for us all.

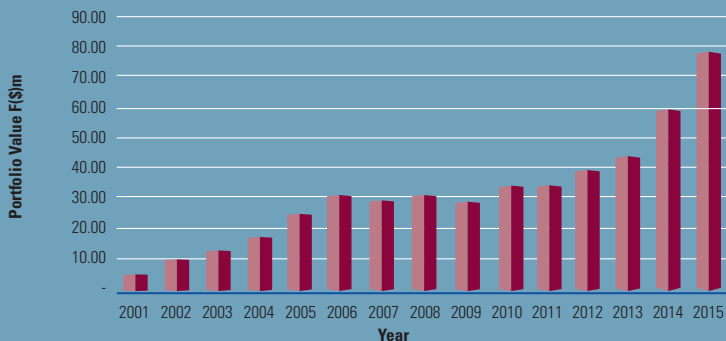
We look forward to another rewarding year in 2016

Mr. Ulaiasi Taoti
Chairman
FHL Fund Management Limited

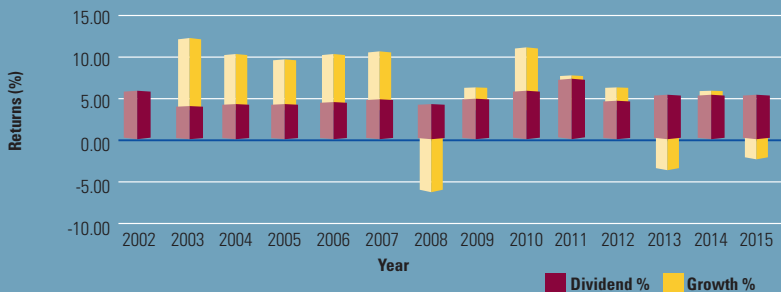


FINANCIAL HIGHLIGHTS

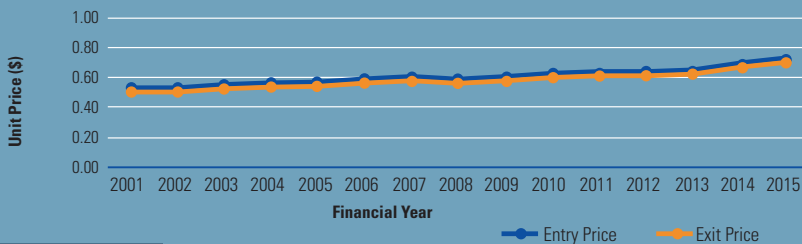
Portfolio Value F(\$m)



Returns to Unit Holders



Unit Price since Inception



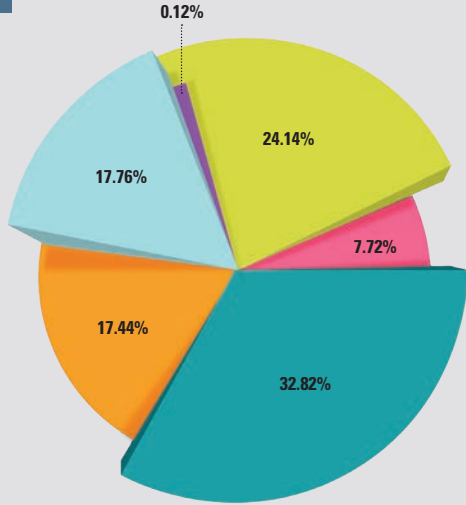
Units on Issue





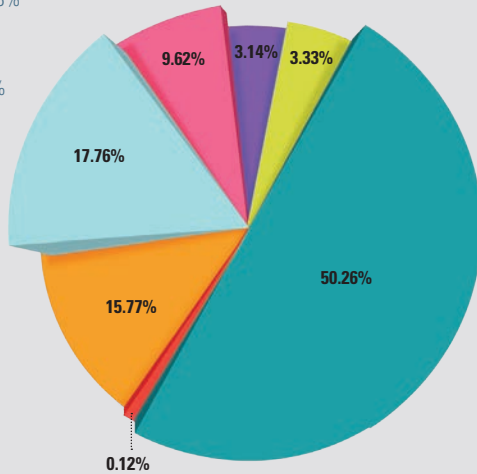
Investment Portfolio (Market Value)

- Unlisted Securities 24.14%
- Listed Securities 7.72%
- Short Term Investments 32.82%
- Cash 17.44%
- Bonds 17.76%
- Managed Funds 0.12%



Portfolio by Sector

- Communication/Information/Media 3.33%
- Finance 15.77%
- Manufacturing 9.62%
- Cash & Interest Bearing Deposit 50.26%
- Bonds 17.76%
- Retail 3.14%
- Managed Funds 0.12%





GENERAL MANAGER'S REPORT

At the end of FY2015, FHUT investment portfolio stood at \$77.07 million, with a growth of 29%, as compared to \$59.50 million in FY2014.

Dear Unit Holders,

I am delighted to present the Fijian Holdings Unit Trust (FHUT) operational report for the 2015 financial year. This year marked the fourteenth year of operation for FHUT since its inception and, against a challenging operating environment, the Fund has, nonetheless, significantly grown and remains fully committed to being innovative and creating value for unit holders with both purpose and passion in line with our slogan "While I live, I Grow"

At the end of FY2015, FHUT investment portfolio stood at \$77.07 million, with a growth of 29%, as compared to \$59.50 million in FY2014. I am pleased to report that the number of unit holders who entrust us with their investments, continues to increase and this incredible support has seen FHUT units on offer grow to over 101 million units. Positive growth in FHUT sales was achieved during the year with a record of more than \$20million, which is a testament to the growing confidence of our unitholders in the product, correlated with a very robust and passionate sales and marketing team.

Operating Environment:

The economy's Gross Domestic Product (GDP) is projected to have grown by 4.30% in 2015, driven mainly by sustained growth in all sectors of the economy with finance & insurance, wholesale & retail, manufacturing, information & communication, agriculture, transport & storage, accommodation & food services and the public administration & defense sectors. forecasted to be the main drivers of growth in 2015.

In terms of the global economy, growth is expected to have been less robust than previously expected earlier in the year. GDP is forecasted to be 3.30% for 2015, marginally lower than 2014, with a gradual pickup in advanced economies and a slowdown in emerging market and developing economies. Generally, advanced economies are expected to have provided the supporting impetus for growth, but there is a divergence in the economic performances of various territories in this segment.

Buoyant investment activity revealed the strong growth of partial indicators providing further impetus to Fiji's current growth outlook.

Financial Performance:

During the year, the Fund achieved a total return of

3.64% which comprises of a dividend return of 5.34% and a negative growth return of 1.70%. The negative growth was the result of a reduced value for some of our unlisted and listed stock as at the end of the financial year. Nonetheless, a total of \$4.12 million was paid out to more than 6,000 unit holders during the year, with a dividend payout rate of 4.22 cents as compared to 4.16 cents for FY2014. Since inception, the total dividend paid out by the Fund has accumulated to a total of \$23million including the payout for FY2015.

Sales & Marketing:

Throughout the year, the sales and marketing activities carried out, were organised accordingly to compliment the Capital Markets Master Plan by the Reserve Bank of Fiji on the development of the Capital Markets and the target to increase the number of adult investors to 100,000 by 2025. This for FHUT, was evident in an increase of 44.00% in the number of new unit holders to 6,449 at end of FY2015 which is a key indicator on the growing investor confidence in FHUT. Simultaneously, the growth is also attributed to the increasing awareness created by our sales and marketing team through our various media partnerships and service providers which resulted in a greater part of the sales achieved, coming in from our high net-worth clients, land & resource owners and institutional clients. Additionally, the Employee investment Deduction Scheme (EDS) has contributed massively to the increase in unit holders for the financial year

We are steadfast in ensuring that our product is made available and accessible throughout the rural and remote areas, and also to our investors overseas. We aspire to target this market through the extensive use of print, voice and electronic media. We continue to endeavour 100% coverage of the whole of Fiji in promoting investment awareness and appreciation of the FHUT product.

In addition, FHUT has achieved the following milestone during the 2015 financial year:

- Over 101 Million units on issues
- Portfolio value over \$77 million
- Script less trading
- Extensive reach – over 80 physical locations
- Robust registry system
- Mobile Advertising Platform- Digicel and Vodafone



Investment:

During the year, the Fund continued to take advantage of investment opportunities such as listed equities when the opportunity arose, in the Stock market, this was reflected in the realignment of the Funds exposure in growth assets as per our investment policy. FHUT also benefitted in the interest rate market by placing funds in short term deposits through various institutions and term loans to renowned companies. The FHUT investment portfolio, which stood at \$77.07m at the end of FY2015, consisted of listed equities, unlisted equities, short term investments, bonds, and managed fund investment. Securing good investments, continues to be one of the main challenges for the Fund Manager, in light of the limited investment opportunities that are available, nonetheless our exploration for viable investments continues to be our focus, in our efforts to maintain competitive returns to you our unit holders.

In comparison to the financial results for FY2014, the value of the listed equities accounts for 7.72% of FHUT total investment portfolio. Moreover, an independent valuation was carried out for unlisted equities which accounts for 24.14% of the FHUT investment portfolio as at the end of June 2015. The notable changes were the positive revaluation of shares in the unlisted equities namely Merchant Finance & Investment Company Limited, Golden Manufacturing Limited, New World Limited and Data Bureau Limited. During the year, FHUT made new investments in Life Cinema Limited and Pernix Fiji Limited. Life Cinema Limited is a newly incorporated company, within the FHL Group that was set up for the purpose of providing cinema entertainment. Pernix Fiji Limited operates and maintains diesel powered power generation plants. The Funds short term deposits ranged from 33.00% of \$59.50 million in FY2014 to 32.82% of \$77.07 million in FY2015, which remains reasonable for favourable short term fixed return generated to the Fund. While the value of bonds held by the fund had slightly appreciated during the financial year. Overall there were no significant changes in the portfolio mix apart from the 29.33% growth of the total portfolio.

Trust Administration:

The year saw the completion of the data migration to the new registry system for the Fund. The features of the new registry will further complement our goals of improving accessibility through the provision of real time reports in addition enhance our process efficiency.

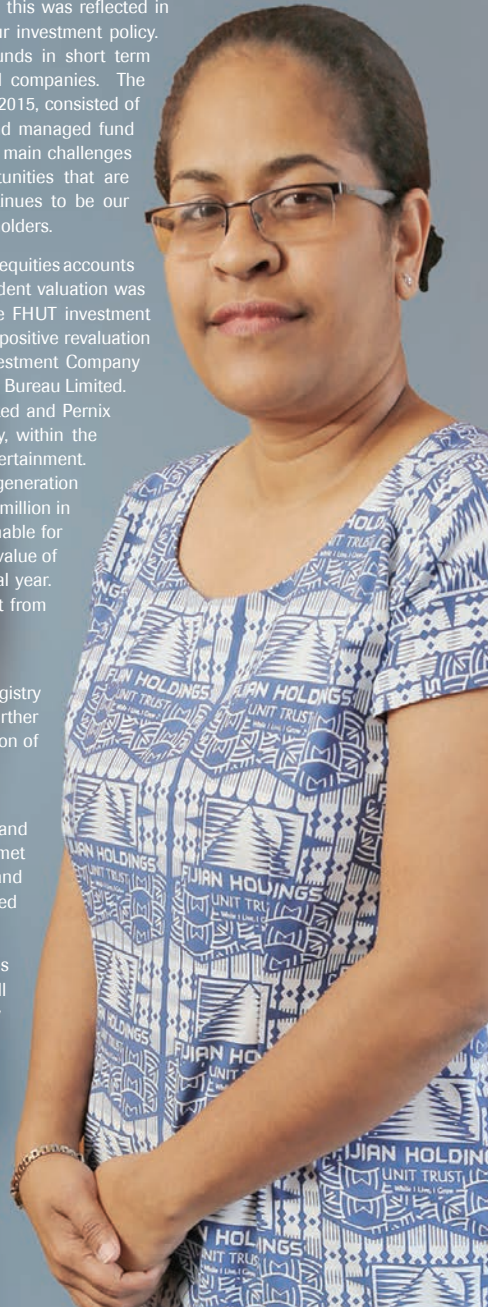
Compliance:

In ensuring the adequacy and effectiveness of our operations, risk and complaints management system, the Compliance subcommittee met frequently during the year to identify and review key policies, risks and mitigation strategies ensuring that the operations and all risk related compliance requirements are satisfied.

All complaints were appropriately dealt with and corrective measures taken to avoid these issues recurring in the future. The Fund at all times will ensure that it continues to comply with all mandatory reporting requirements by RBF. A Risk & Compliance officer was also appointed during the year to oversee and monitor the compliance & regulatory issues which the Fund is governed by.

Service Providers:

Our service providers continue to play a vital role and contribute immensely to the success of FHUT in terms of providing the platform for accessibility to you our unitholders and potential investors. For compliance and governance purposes, the service





providers are audited twice a year before registry closure periods to ensure that funds are accounted for and units are correctly allocated to investors. Management also conducts training to enable the service providers to better serve you, our unit holders and be updated on any changes that directly affects the Fund.

Management:

FHL Fund Management Limited (FHL FML) underwent a reorganization of its key personnel during the year. Mr Sowani Tuidrola, former General Manager of FHL FML has been promoted to General Manager of Pacific Cement Limited (formerly known as Fiji Industries Limited), another subsidiary of Fijian Holdings Limited. The appointment is in line with the FHL Group policy on capacity building for its Executive Management. I would like to record my appreciation to Mr Tuidrola for his leadership skills, knowledge and expertise which has contributed to the Funds success and overall performance over the years. On behalf of the Management team, we wish Mr Tuidrola well in his new position and look forward to his continued support to FHL FML and FHUT.

There were also notable changes to the Board of Directors for FHL FML. I am delighted to welcome Mr Sakiasi Seru and Mr Craig Strong to complement the wealth of expertise with our existing Board members, Mr Ulaiasi Taoi, Mr Robbin Yarrow, Mr Nouzab Fareed, and Ms Catherine Grey.

In addition, there were also changes to the Board of Directors for FHL Trustees Limited, as Trustees for FHUT. The two incoming Directors, Mr Inia Naiyaga and Mr Nesbitt Hazelman, join with a diverse background of experience and business acumen which will further strengthen the function of Trustees as custodians of the assets of the Fund. Concurrently, I would like to sincerely acknowledge the outgoing Directors, Mr Sakiasi Seru and Mr Arun Narsey for their valuable contributions and wise counsel, during a period of significant growth for the Fund.

The Year Ahead:

During the year the Board and Management were part of a workshop organised by the FHL Group to review the strategic goals of FHL FML and the Fund. The strategic plan for the next five years (FY2015 - FY2019) was consequently approved by the Board and the plan focuses on strategies of growth for the Fund, enhancement of our investment strategies, risk and compliance policies, strengthening of customer service emphasis, and capacity building platform for our staff and the exploration of venturing beyond Fiji. Our aim is to bring added value to our unit holders as we continue to focus on strategies that complements our goals of meeting both our income and capital growth targets as well as positioning ourselves as a market leader. In the process of reviewing current structures and refining our strategy for the future we

remain committed to meet the challenges ahead and the evolving needs of our unit holders by continuing to deliver positive results in an ever-changing competitive environment.

FHL FML, as the Fund Manager will be issuing the FHUT Prospectus issue No.5 in FY2016 and the focus of this Prospectus will be the reduction of the initial minimum entry requirements from 100 units to 50 units, the reduction of Management fees to 1.65% and entry fees to 3.50%. In addition, the Fund will also be changing its dividend payout schedule from bi-annually to three times a year.

Approval for offshore investment was granted by the Reserve Bank of Fiji, and Management is in the process of analysing available investment opportunities specifically for listed equities which will further complement the growth assets in our portfolio mix and generate desired returns for the Fund.

Appreciation:

My sincere appreciation goes to the Board of Directors for FHL FML and FHL Trustees Limited for their professional guidance, positive contribution and commitment which has impacted in another good year for the Fund. On the same token, I would like to thank the Management team, for their commitment and passion and look forward to their continued support in the next financial year.

I would like to also acknowledge the continued assistance and commitment of our service providers, Mr. Deven Magan, Mr. Praful Patel, Merchant Finance Limited, Post Fiji Limited, FijiStockbrokers Limited, Kontiki Stockbroking Limited, FHL Stockbrokers Limited and other internet banking platforms through ANZ, BSP, Bred Bank and WBC, in promoting FHUT product.

Finally and most importantly, I extend my heartfelt gratitude to you, our valued Unitholders, for your patronage throughout FY2015. Despite challenges in the local, regional and global financial environments, your support and confidence placed in FHUT and the Management Company, FHL FML has remained steadfast. We look forward to a new financial year, ready with possibilities for growth and opportunity, to expand our business so that we can reap the rewards that will best benefit you.

Elenoa Lalabalavu-Vuniwa
General Manager
FHL Fund Management Limited



FHL TRUSTEES LIMITED – DIRECTORS



Mr. Inia Naiyaga, Mrs. Seruwaia Hong-Tiy and Mr. Nesbitt Hazelman

Mr. Inia Naiyaga Chairman

Inia Naiyaga is a Chartered Accountant and was a Central Banker for 39 and half years. He retired as the Deputy Governor of the Reserve Bank of Fiji in May 2014. Prior to his retirement he also served as the Deputy Governor of the National Reserve Bank of Tonga for 5 years and was a member of the Executive Management team of The Reserve bank of Fiji for 25 years.

He is a full-member of the Fiji Institute of Accountants (CA), a Fellow of the Fiji Institute of Bankers, FFIB(Hon) and was a Fellow of the Australian Institute of Company Directors, FAICD. He is also a former President of The Fiji Institute of Accountants, former President of the Institute of Internal Auditors (Fiji Chapter) and former National President of the Fiji Bank Employees Union. He has also served as a Director of the Fiji Electricity Authority and a Director of Transparency International (Fiji Chapter).

Mrs. Seruwaia Hong-Tiy Director

Seruwaia Hong-Tiy is a Health Professional Physiotherapist having trained and graduated as a physiotherapist in New Zealand School of Physiotherapy, Otago, New Zealand. Clinical experience was gained in various hospitals in New Zealand, before becoming a Senior Physiotherapist/ Tutor at the Colonial War Memorial hospital in Suva, Fiji. Currently she is a member of the iTaukei Affairs Board. She is also a Director of Nadroga/Navosa Provincial Company and her family owned business Shipping Services (Fiji) Limited. She formerly held the Health Portfolio and Women & Social Welfare in the SVT government.

Mr. Nesbitt Hazelman Director

Nesbitt Hazelman is the Chief Executive Officer of Fiji Commerce Employers Federation. He holds a Masters in Industrial Relations & Human Resource Management from Sydney University, a Post Graduate Certificate in Human Resource Management from Australian Quality College, a BA with Double Majors in Management and Sociology with a Diploma in Industrial Relations and Personnel Management from the University of the South Pacific. He has more than 15 years' experience in Human Resource & Industrial Relations with 9 years in Executive Management.



FHUT INVESTMENT PORTFOLIO

The following are brief reports on the investments within the FHUT Portfolio and has been classified by sector.

EQUITY INVESTMENTS

FINANCE

The finance sector makes up 15.77% of the FHUT Portfolio, which is the investment in BSP Convertible Notes and Merchant Finance & Investment Company Limited.

Merchant Finance & Investment Limited

FHUT's Portfolio: 15.16%

Merchant Finance has successfully ended Financial Year 2015 on yet another high note. Challenging conditions have continued with high liquidity, increased competition and subdued credit demand. These market conditions challenged all financial institutions on utilizing surplus funds and getting a return on them.

Despite challenging conditions Merchant Finance recorded a pre-tax profit of \$10.02 million for the year, compared to \$9.80 million last year; a record up to that time.

The company continued to meet prudential requirements set by the Reserve Bank of Fiji for licensed credit institutions and is well capitalized with a strong liquidity position.

Apart from delivering a record profit, Merchant Finance increased its human resource capacity building by providing staffs with the best training and education to carry out the roles they serve within the company. Managers were encouraged to undertake Company Director Courses (facilitated Australian Institute of Company Directors) and staffs were also encouraged to pursue advanced academic qualifications to complement/develop their skills. Succession planning initiatives are in place to ensure that business thrives together with the proficiency of staff.

Being a good corporate citizen, the company contributed to providing employment to the large pool of University graduates that are looking for employment. Graduate trainees and attachés now contribute to the services offered by the company Fiji wide.

In addition, as part of our Corporate Social Responsibility we raise awareness of community needs as well. Merchant Finance participated in Financial Inclusion initiatives by the Reserve Bank of Fiji, Asco Motors Trade Shows, visited the children at St. Christopher Home, facilitated a street Blind Appeal and hosted a breakfast for the Fiji Society for the Blind.

With new entrants intensifying competition in the Lending market, Merchant Finance has revised its Strategic Plan to continue offering exceptional service to customers. The company is looking forward to roll out new initiatives that will improve its competitive edge and satisfy evolving financial demands of customers.

BSP Convertible Notes Limited

FHUT Portfolio: 0.61%

BSP Convertible Noted Limited is a wholly owned subsidiary of the Bank of South Pacific (BSP) and has been incorporated in Fiji as a special purpose vehicle which issues debt. BCN has mandatorily converted into Fiji Class Shares which has been quoted on SPSE. In 2014, BSP Group had an outstanding profit outcome, despite a number of adverse events.

RETAIL

The retail sector is one of the fastest growing sectors in Fiji and currently makes up 3.14 % of the FHUT portfolio. FHUT has investments in two of the largest retailers in the Fiji market, RB Patel Group Limited and New World Limited.

RB Patel Group Limited

FHUT Portfolio: 1.95%

For the financial year ended June 2015, RBG reached a net profit after tax of \$5.91 million compared to \$5.92 million. The principal activities of the year were that of retailing & wholesaling of general and wholesaling of general merchandise, owners and administrators of property



and equity investments. Additionally there was also an increase in their Revenue from sales from supermarket stores in Nausori, Nakasi, Nasinu, Suva, Sigatoka Nadi, Lautoka, Labasa and Lami. The revenue turnover of \$104 million is 3.4% increase from 2014. The reported period results are pleasing and company's performance reflects the improving economic and financial conditions both locally and globally. Profit after tax remained almost the same and was due to changes in tax rates and the resulting reduction of deferred tax liabilities. It was also pleasing that be the eighth consecutive year the company has maintained its dividend at 14 cents per share.

Looking forward, the company's performance is also underpinned by the competitive nature of the industry and the price driven strategies experienced throughout the year. Additionally, the restriction on margins imposed on some high volume items continues to provide challenges for businesses in maintaining profitability.

New World Limited

FHUT Portfolio: 1.19%

Newworld Limited owns and operates a chain of supermarkets in Fiji. The company was founded in 1933 and is based in Ba, Fiji.

New World Ltd successfully opened its \$3 million-investment, flagship New World IGA (Independent Grocers Association, USA) affiliated stores (Damodar City Center store, Vatualevu, & Nakasi store).

This followed New World's acquisition of the Master Franchise from the brand to bring Fiji the 21st Century as far as supermarket operations are concerned. The company posted an increase in sales of 6.91% and a post net profit of \$3.05 million.

Newworld Limited is a private company registered in Fiji. One of the largest retail chain in Fiji. The primary activities of the company are retailing and wholesaling of groceries and general merchandise. The retail activities are carried out through in twenty eight stores under the name of

'New World Supermarkets', 'Pots & Things' and 'Chilies'. They are situated Fiji wide in the subsequent cities and towns.

MANUFACTURING

Manufacturing makes up 9.62% of the FHUT portfolio consisting of equity investments with Atlantic & Pacific Packaging Company Limited, Golden Manufacturers Limited, Pernix Fiji Limited, Pacific Green Industries (Fiji) Limited, Pleass Global Limited, Punjas Flour Limited, Rice Company of Fiji and VB Holdings Limited.

Punjas Flour Limited

FHUT's Portfolio: 2.59%

Punjas Flour Limited operates a multi-million dollar flour mill where premium Australian wheat is processed and packaged into a range of quality products for the Pacific market.

Punjas Flour range includes Normal, Whole meal, Self-raising, Bakers, Noodle and Biscuit flours, Semolina, Atta and Mill Mix and is invigorated with essential vitamins and minerals such as iron, calcium, thiamine (vitamin B1), riboflavin (vitamin B2), niacin (vitamin B3) and folic acid (vitamin B9), in line with the Fiji Islands Food Safety Act 2003.

The hygiene and quality management systems for Punjas Flours are world standard, accredited by the International Organisation for Standardization, ISO 9001:2008 and ISO 22000:2005, and HACCP (Hazard Analysis and Critical Control Point) for food safety.

Punjas purpose-built plant houses the latest Swiss technology from Buhler, the world's largest flour mill engineering company. Our qualified millers are accredited by the National Association of British and Irish Millers (NABIM).

The Punjas Flour facility incorporates the latest technology in flour milling and has been designed and installed by Switzerland based BUHLER Group, one of the world's



leading flour mill engineering companies and is of a standard second to none in the world. The mill produces a wide range of flours such as normal flour, bakers flour, noodle flour, atta flour, wholemeal and semolina for the domestic and export market as well as mill mix for animal feed”

Golden Manufacturers Limited

FHUT Portfolio: 3.71%

Golden Manufacturers is the leading manufacturer of corrugated packaging in the South Pacific. From inception as a small time operator in 1980, our company has grown into one of the largest manufacturers in the region. We are based in Fiji but serve the entire South Pacific, New Zealand, Australia as well as the Asian rim.

Making packing boxes for world renowned Fiji Water, Starkist, Samoa Packing, Foster Group, Nestle and Coca Cola is a statement in and of itself. We believe that it speaks volumes in terms of the quality of our product and the excellence of services we provide. Whether working with major international conglomerates or handling precision customized projects or even providing simple standardized items like pizza boxes, you can always be assured of one thing...”quality”. This is a quality that comes through not only in our finished product but also in the way you will be handled from your first contact, on through to delivery and continuing with our highly regarded service assessment follow-up.

Golden Manufacturing has produced packaging for several industries including beverages, canned fish and meat, packed food, horticulture and industrial produce to name a few. We boast an array of corrugated packaging solutions from concept to graphic and structural design. Our best advantage is our location which is in the hub of the South Pacific. This makes our products ideally suited for low cost comparisons when held against traditionally preferred options (New Zealand/ Australia). We warmly look forward to your contact.

VB Holdings Limited

FHUT Portfolio: 0.75%

VB Holdings Limited, pioneer Asset Management Company, established in 1945 offers property and fleet management services. With positive market conditions during the year, VBH property management division also showed growth of around 12.82%, as compared to the corresponding period last year. As for companies’ financial performance, VBH recorded revenue over \$3million against \$1.9million for last year.

Atlantic & Pacific Packaging Company Limited

FHUT Portfolio: 0.34%

Atlantic & Pacific Packaging Company Limited, a subsidiary of FMF Foods Limited was established in 1998, to produce wide range of packaging corrugated cartons and assorted containers. Despite the lower sales, company delivered an improved operating profit

compared to last year. Net profit for the year was even better, also has been aided by the lower corporate tax rate of 18.5% against 20%. With ongoing improvements in its corrugating and printing processes, APP expect the company to be in a much stronger competitive position in next financial year, while the capability to manufacture PP Bags and Extruded Plastics will take it into a new realm of packaging solutions. APP looks forward to the coming year with optimism

Pacific Green Industries (Fiji) Limited

FHUT Portfolio: 0.67%

PGI specialises in unique collection of tropical furniture, island furniture and resort furniture, with influences from traditional indigenous arts. Recent development in the company is adoption of comprehensive Insurance Policy for 2015 effective 1st January 2015 to 31st December 2015. At PGI AGM, shareholders approved a dividend of \$0.02 per share based on the sale of shares in China subsidiary. Income derived from this sale was distributed to shareholders as dividend over a five year period

Rice Company of Fiji

FHUT Portfolio: 0.08%

Rice Company of Fiji, a subsidiary of FMF Foods Limited is a dealer in rice and allied products. The company has developed a highly efficient processing line using fully automated machinery where the imported rice is milled, cleaned, repacked, and sold. For the financial year, the company declared & paid \$0.25 per share dividend to shareholders. This is an increase of \$0.05 compared to dividend last year.

Pleass Global Limited

FHUT Portfolio : 0.58%

Pleass Global Limited is a Fiji based company publicly listed on the South Pacific Stock Exchange. Pleass principally bottles water and distributes food and beverage packaging across the South Pacific. PBP Engages in marketing of beverages, single use items and equipment within Fiji and throughout Oceania targeting major customers and distributors with a goal to offer better service than the customer expects. FHUT is ranked third top shareholder in Please Global Limited after acquiring 740% of total shareholding in September 2014. PBP employs 120 full time equivalent staff and is building a new production facility in Fiji. One of the recent development & launch of VaiWai Natural Artesian Water is expected to increase production, develop new products for new markets and enhance the work environment for our people

Pernix (Fiji) Limited

FHUT Portfolio: 0.90%

Pernix Group Inc. in 2000 established Pernix (Fiji) Limited (PFL) as a subsidiary to provide diesel fired power generation plants and later operation and maintenance



services in the Fiji Islands. To better serve their customers PFL has geographically positioned itself where it plans to invest in the future. PFL's commitment to delivery and access to dependable resources has enabled them to establish a presence in the Pacific region. With over a decade of experience PFL is now a well-established power generation and management company with an excellent reputation for delivering state of the art services to its customers. PFL's success is based on established business relationships combined with extensive local knowledge and experienced staff dedicated to reliability and customer satisfaction.

INFORMATION, COMMUNICATION & TECHNOLOGY

Though a dynamic sector with lots of growth potential, the communication and information sector makes up only 3.33 % of the FHUT Portfolio. This consists of Amalgamated Telecom Holdings Limited, Communications Fiji Limited, Data Bureau Limited, and Life Cinema Limited.

Amalgamated Telecom Holdings Limited

FHUT Portfolio: 2.38%

ATH Group after Five years period of consolidation and restructure of the companies in the ATH Group began have collectively emerged this year as a leaner, stronger entity. During the year, a major event for the ATH Group was the acquisition by the Fiji National Provident Fund (FNPF) of the remaining 49% in Vodafone Fiji Limited from Vodafone International Holdings BV. Additionally, Telecom Fiji Limited, on 31 March 2015, sold its Ganilau House property to ultimate parent entity, FNPF. Also on 31 March 2015, ATH successfully secured the right to operate telecommunications business in Kiribati and purchased the assets of Telecommunications Services Kiribati Limited. The acquisition was completed in May 2015, through ATH's 100% Kiribati subsidiary. The profit after income tax of the holding company for the year was above \$28million compared to \$22million in 2014. The consolidated profit after income tax attributable to the members of the holding company for the financial year was \$49,811,616 while \$14,468,993 for 2014. Total dividend paid to shareholders for year ended 31st March was \$0.07 per share.

Data Bureau Limited

FHUT's Portfolio: 0.39%

Data Bureau Limited (DBL) was established in 2001 by a number of leading financial institutions and has established Credit Bureau operations in Fiji, Tonga and Vanuatu. DBL is the leading provider of credit historical information on individual and businesses in the South Pacific.

It began its operations in Fiji in 2001 as a limited liability company, which has been an initiative of a group of financial institutions and insurance companies.

The Credit Bureaus are not linked in anyway, they are stand alone. Therefore membership to any Credit Bureau is carried out by individual countries. For more information on membership, click the country bar on the top.

Our principal business is the operation of a Credit Bureau database where members can access the credit history and identify details of their customers. The Credit Bureau also assists our members with debt collection when defaulting debtors are listed on the Credit Bureau.

This information is available to our members through a sophisticated but user friendly software system accessed through the internet.

We supply our members with information that allows them to make informed credit and business decisions. We collect this information from our members and also from public records.

Communications Fiji Limited

FHUT Portfolio: 0.37%

CFM is the Holding company for Fiji's largest radio network. CFM operates five radio stations in Fiji and, under subsidiary PNG FM, a further three in Papua New Guinea. After tax profit came in at \$1,474,957 for year ended December 2014 while 2013 was just over \$1.5 million. Total dividend paid for the year was \$0.13.

Life Cinema Limited

FHUT's Portfolio: 0.19%

Life Cinema is the home of excellence in cinema. For the latest blockbuster and Bollywood hits, presented with the latest in digital cinema technology, Life Cinemas is the ultimate venue to view your film.

The cinema boasts the first self-service snacks parlour, with 600 seating capacity, houses four fully digital and 3D enabled screens. The biggest screen D-max is powered by Dolby Atmos sound technology which is the second in the Australasia region.

MANAGED FUNDS

FHUT has less than 1% of its portfolio invested in other local managed funds.

BONDS

FHUT investments in bonds make up 17.76% of the portfolio consisting of Fiji Development Loan, Fiji Development Bonds, Fiji Infrastructure bonds, Housing Authority bonds, Promissory Notes and Treasury Bill Bonds.

CASH & FIXED INTEREST SECURITIES

This sector makes up 50.26 % of the FHUT portfolio consisting mainly of on-call and term deposits and secured short term loans with various deposit taking institutions and well established reputable companies to allow the Fund to access funds readily for investment opportunities that may arise.



FIJIAN HOLDINGS UNIT TRUST

TRUSTEE'S AND MANAGER'S REPORT

For the year ended 30 June 2015

In accordance with resolutions of the Trustee and Manager, the Trustee and Manager herewith submit the statement of financial position of the Fijian Holdings Unit Trust ("Trust") as at 30 June 2015, the related statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date and report as follows:

Trustee and Manager

The names of Trustee and Manager in office at the date of this report are:

FHL Trustees Limited	Trustee
FHL Fund Management Limited	Manager

Date of Formation

The Trust was formed on 27 April 2001 and has a life of 60 years from its inception.

Principal Activity

The Trust is an investment vehicle that allows investors' monies to be pooled with other unit holders' monies that in return are issued with units and become unit holders in the trust. The pooled funds are then invested by the Manager across a range of investments in accordance with the investment guidelines contained in the Investment Policy statement.

Results

The Trust recorded a net income available for distribution of \$4,164,398 (2014: \$3,204,209).

Dividends

The Trust declared and paid a final dividend for 2014 of \$2,103,416 and an interim dividend for 2015 of \$1,349,079 during the year.

Assets

Prior to the completion of the financial statements of the Trust, the Trustee and Manager took reasonable steps to ascertain whether any assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Trust. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the Trustee and Manager are not aware of any circumstances, which would render the values attributed to assets in the Trust's financial statements misleading.

Unusual Transactions

In the opinion of the Trustee and Manager, the results of the operations of the Trust during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the Trustee and Manager, to affect substantially the results of the operations of the Trust in the current financial year, other than those reflected in the financial statements.

Fair Value Reserves

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised, disposed or impaired.

Basis of Accounting

The Trustee and Manager believe that the basis of preparation of the financial statements is appropriate and the Trust will be able to continue in operation for at least 12 months from the date of this report. Accordingly, the Trustee and Manager believe that the classification and carrying amounts of the assets and liabilities as stated in the financial statements to be appropriate.

Related Party Transactions

In the opinion of the Trustee and Manager all related party transactions have been adequately recorded in the books of the Trust and reflected in the financial statements.

Significant Events

As at the date of this report, the Trustee and Manager are not aware of any other significant event, other than those already included in the financial statements.



FIJIAN HOLDINGS UNIT TRUST

TRUSTEE'S AND MANAGER'S REPORT - CONTINUED

For the year ended 30 June 2015

Events Subsequent to Balance Date

The Trustee and Manager are not aware of any matter or circumstance not otherwise dealt with in the report or financial statements that will significantly or may significantly affect the operations of the Trust, the results of those operations or state of affairs of the Trust in subsequent financial years.

Other Circumstances

As at the date of this report:

- (i) no charge on the assets of the Trust has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Trust could become liable; and
- (iii) no contingent liabilities or other liabilities of the Trust has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Trustee and Manager, will or may substantially affect the ability of the Trust to meet its obligations as and when they fall due.

As at the date of this report, the Trustee and Manager are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Trust's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Trust misleading or inappropriate.

Trustee's and Manager's Benefits

Since the end of the previous financial year, no Trustee or Manager has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Trustee and Manager shown in the financial statements or received as the fixed salary of a full-time employee of a related party) by reason of a contract made by the Trust or by a related party with the Trustee or Manager or with a firm of which they are a member, or with a company in which they have a substantial financial interest.

Approval of the Financial Statements

The financial statements for the year ended 30 June 2015 together with the accompanying notes set out on pages 6 to 20 are approved as being in accordance with the books and records of the Fijian Holdings Unit Trust.

Signed for and on behalf of the Trustee and Manager in accordance with resolutions of the Trustee and Manager.

Dated at Suva this 31st day of August 2015.

FHL Fund Management Limited
Manager - Fijian Holdings Unit Trust

FHL Trustees Limited
Trustee - Fijian Holdings Unit Trust



FIJIAN HOLDINGS UNIT TRUST

STATEMENT BY TRUSTEE AND MANAGER

For the year ended 30 June 2015

In accordance with resolutions of the Trustee and Manager, we state that in our opinion:

- (i) the accompanying statement of comprehensive income of the Trust is drawn up so as to give a true and fair view of the results of the Trust for the year ended 30 June 2015;
- (ii) the accompanying statement of changes in equity of the Trust is drawn up so as to give a true and fair view of the changes in equity of the Trust for the year ended 30 June 2015;
- (iii) the accompanying statement of financial position of the Trust is drawn up so as to give a true and fair view of the state of affairs of the Trust as at 30 June 2015;
- (iv) the accompanying statement of cash flows of the Trust is drawn up so as to give a true and fair view of the cash flows of the Trust for the year ended 30 June 2015;
- (v) at the date of this statement there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due; and
- (vi) all related party transactions have been adequately recorded in the books of the Trust.

Signed for and on behalf of the Trustee and Manager in accordance with resolutions of the Trustee and Manager.

Dated at Suva this 31st day of August 2015.

FHL Fund Management Limited
Manager - Fijian Holdings Unit Trust

FHL Trustees Limited
Trustee - Fijian Holdings Unit Trust



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INDEPENDENT AUDIT REPORT

TO THE UNIT HOLDERS OF FIJIAN HOLDINGS UNIT TRUST

We have audited the accompanying Financial Statements of Fijian Holdings Unit Trust, which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year ended and a summary of significant accounting policies and other explanatory notes.

Trustee's and Manager's Responsibility for the Financial Statements

The trustee and manager are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards ("IFRS"), the requirements of the Unit Trust Act 1978, provisions of the Trust Deed, Trustee Act 1966 and Capital Markets Decree 2009. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the financial statements 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 trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Fijian Holdings Unit Trust as at 30 June 2015 and its financial performance, changes in equity and cashflows for the year ended in accordance with International Financial Reporting Standards.

Report on other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, the accompanying financial statements give the information required by the Unit Trust Act 1978, provisions of the Trust Deed, Trustee Act 1966 and the Capital Markets Decree 2009 in the manner so required.

Suva, Fiji
31 August 2015


 Ernst & Young
 Chartered Accountants



FIJIAN HOLDINGS UNIT TRUST

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Revenue			
Interest income	2(a)	1,842,707	1,873,635
Dividend income	2(b)	3,363,202	2,207,358
Net equalization		360,713	134,605
		5,566,622	4,215,598
Expenses			
Bank charges		1,809	2,327
Management fees	1.2(g)	1,150,875	913,221
Professional fees	2(c)	26,684	26,489
Trustee's fees	1.2(h)	81,589	59,513
Doubtful debts		96,580	
- Other expenses		44,687	9,839
		1,402,224	1,011,389
Net income available for distribution		4,164,398	3,204,209
Net income for the year attributable to unit holders		4,164,398	3,204,209
Other comprehensive income			
Fair value gain on financial assets	3	1,666,641	2,536,682
Total comprehensive income for the year		5,831,039	5,740,891

The accompanying notes form an integral part of this Statement of Comprehensive Income.



FIJIAN HOLDINGS UNIT TRUST

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Unit holders' equity			
At 1 July			
26,055,055 units created during the year (2014: 18,441,603 units)		47,960,250	36,936,909
3,200,935 units redeemed during the year (2014: 2,986,290 units)		19,083,031	13,101,800
		(2,333,366)	(2,078,459)
At 30 June	8	64,709,915	47,960,250
Net income available for distribution			
At 1 July			
Net income available for distribution		2,138,978	1,507,690
Dividend declared and paid during the year		4,164,398	3,204,209
		(3,452,495)	(2,572,921)
At 30 June	6	2,850,881	2,138,978
Fair value reserves			
At 1 July			
Fair value gain on financial assets		9,865,521	7,328,839
		1,666,641	2,536,682
At 30 June	3	11,532,162	9,865,521
Total unit holders' equity		79,092,958	59,964,749

The accompanying notes form an integral part of this Statement of Changes in Equity.



FIJIAN HOLDINGS UNIT TRUST

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2015

	Notes	2015 \$	2014 \$
Assets			
Cash and short-term deposits	10	13,572,675	9,257,530
Accrued income	5	2,149,760	514,218
Loans and receivables financial assets	4(a)	5,190,000	5,190,000
Available-for-sale financial assets	4(b)	38,152,572	30,399,362
Held-to-maturity financial assets	4(c)	20,107,546	14,700,000
		79,172,553	60,061,110
Liabilities			
Net income declared for distribution		2,211	2,210
Other liabilities	7	77,384	94,151
		79,595	96,361
Net assets			
		79,092,958	59,964,749
Unit holders' equity			
Unit holders' equity repayable on demand: 101,942,173 units fully paid (2014: 79,088,053 units)	8	64,709,915	47,960,250
Net income available for distribution	6	2,850,881	2,138,978
Fair value reserves	3	11,532,162	9,865,521
Total unit holders' equity			
		79,092,958	59,964,749

The accompanying notes form an integral part of this Statement of Financial Position.

Signed for and on behalf of the Trustee and Manager in accordance with resolutions of the Trustee and Manager .

FHL Fund Management Limited
Manager - Fijian Holdings Unit Trust

FHL Trustees Limited
Trustee - Fijian Holdings Unit Trust



FIJIAN HOLDINGS UNIT TRUST

STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Operating activities			
Cash received in the course of operations		3,834,500	3,966,898
Cash payments in the course of operations		(1,322,410)	(962,131)
Net cash flows from Operating Activities		2,512,090	3,004,767
Investing activities			
Acquisition of available-for-sale financial assets		(6,086,569)	(684,812)
Acquisition of term deposits		(1,800,000)	-
Issue of short-term loans		(8,000,000)	(11,090,000)
Repayment from short-term loans		4,392,454	5,800,000
Net cash flows (used in) Investing Activities		(11,494,115)	(5,974,812)
Financing activities			
Proceeds from issue of units		19,083,031	13,101,800
Payments for repurchase of units		(2,333,366)	(2,078,459)
Distributions paid		(3,452,495)	(2,571,657)
Net cash flows from Financing Activities		13,297,170	8,451,684
Net increase in cash and short-term deposits		4,315,145	5,481,639
Cash and short-term deposits at the beginning of the year		9,257,530	3,775,891
Cash and short-term deposits at the end of the year	10	13,572,675	9,257,530

The accompanying notes form an integral part of this Statement of Cash Flows.

Corporate Directory

Manager

FHL Fund Management Limited
Telephone: (679) 331 7152/ 331 1120
Fax: (679) 331 7153
Email: fhtml@fijianholdings.com.fj

Registered Office

Ground Floor, Ra Marama
91 Gordon Street, Suva

Postal Address

FHL Fund Management Limited
P. O. Box 2110
Government Buildings
Suva, Fiji

Auditor

Ernst & Young
Chartered Accountants
Level 7, Pacific House
Butt Street
P. O. Box 1359
Suva, Fiji
Telephone: (679) 331 4166
Fax: (679) 330 0612

Regulator

Reserve Bank of Fiji
Pratt Street, Suva
Private Mail Bag
Suva, Fiji

Principal Banker

Australia & New Zealand Banking Group
Limited
25 Victoria Parade
GPO Box 179, Suva

FHL FML Directors

Ulaiasi Taoi – Chairman
Robin Yarrow
Sakiasi Seru
Craig Strong
Nouzab Fareed
Catherine Grey

Compliance Committee

Laisa Lagilevu – Chairperson
Ateen Kumar
Yunus Khan
Sharmila Nanayakkara
Nouzab Fareed

Trustees

FHL Trustees Limited
Ground Floor, Ra Marama
91 Gordon Street
P. O. Box 2110
Government Buildings
Suva, Fiji
Telephone: (679) 331 7152 / 331 1120
Fax: (679) 331 7153

FTL Directors

Inia Naiyaga – Chairman
Nesbitt Hazelman
Seruwaia Hong Ty

Investor Relations

You can obtain information about investing with the Fijian Holdings Units Trust by contacting our licensed unit trust representative via:
Telephone: (679) 331 7152/331 1120
Fax: (679) 331 1753
Email: fhtml@fijianholdings.com.fj

You can also contact or visit us at our registered office listed above.

Business Hours

8.00am- 5.00pm Mondays – Thursday
8.00am- 4.00pm Fridays



FIJIAN HOLDINGS
UNIT TRUST

While I Live, I Grow