Macquarie Asia Pacific Private Equity Fund

Special purpose financial report - 30 June 2011

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Contents

This financial report covers Macquarie Asia Pacific Private Equity Fund as an individual entity.

The Trustee of Macquarie Asia Pacific Private Equity Fund is Macquarie Investment Management Limited (ABN 66 002 867 003). The Trustee's registered office is Mezzanine Level, No. 1 Martin Place, Sydney, NSW 2000.

Statement of comprehensive income

	Notes	**30 June 2011 USD '000**	30 June 2010 USD '000
Investment income			
Interest income		**6**	1
Distribution income		**4,593**	1,227
Net gains on financial instruments held at fair value through profit or loss	4	**8,480**	14,816
Other operating income		**245**	254
Total net investment income		**13,324**	16,298
Expenses			
Trustee fees		**349**	586
Other operating expenses		**4**	32
Total operating expenses		**353**	618
Operating profit		**12,971**	15,680
Finance costs attributable to unitholders			
Distributions to unitholders		**(11,191)**	-
Decrease/(increase) in net assets attributable to unitholders	5	**(1,780)**	(15,680)
Profit/(loss) for the year		**-**	-
Total comprehensive income for the year		**-**	-

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

Statement of financial position

	Notes	**30 June 2011 USD '000**	30 June 2010 USD '000
Assets			
Cash and cash equivalents	6	**2,048**	1,163
Receivables		**27**	63
Financial assets held at fair value through profit or loss	7	**99,842**	80,945
Total assets		**101,917**	82,171
Liabilities			
Trustee fees payable		**48**	157
Other payables		**5**	12
Total liabilities (excluding net assets attributable to unitholders)		**53**	169
Net assets attributable to unitholders - liability	5	**101,864**	82,002

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

Statement of changes in equity

	30 June 2011 USD '000	30 June 2010 USD '000
Total equity at the beginning of the year	-	-
Total comprehensive income for the year	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the year	-	-

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

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

Statement of cash flows

	Notes	30 June 2011 USD '000	30 June 2010 USD '000
Cash flows from operating activities			
Interest expense		**6**	3
Distributions received		**4,593**	1,227
Other income received		**297**	698
Proceeds from sale of financial instruments held at fair value through profit or loss		**3,667**	1,939
Purchase of financial instruments held at fair value through profit or loss		**(3,702)**	(1,597)
Call payments		**(24,530)**	(24,110)
Return of capital received		**14,273**	972
Trustee fees paid		**(482)**	(699)
Other operating expenses paid		**(5)**	(34)
Net cash outflow from operating activities	8(a)	**(5,883)**	(21,601)
Cash flows from financing activities			
Calls on unitholders		**18,082**	18,415
Distributions paid		**(11,191)**	-
Net cash inflow from financing activities		**6,891**	18,415
Net increase/(decrease) in cash and cash equivalents		**1,008**	(3,186)
Cash and cash equivalents at the beginning of the year		**1,163**	4,355
Effects of foreign currency exchange rate changes on cash and cash equivalents		**(123)**	(6)
Cash and cash equivalents at the end of the year	6	**2,048**	1,163

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

1 General information

This financial report covers Macquarie Asia Pacific Private Equity Fund ("the Trust") as an individual entity. The Trust was constituted on 17 January 2007.

The Manager and Trustee of the Trust is Macquarie Investment Management Limited (the "Trustee"). The Trustee's registered office is Mezzanine Level, No. 1 Martin Place, Sydney, NSW 2000. The financial report is presented in United States dollars.

During the year, the Trust continued to be managed in accordance with the investment objective and strategy set out in the Trust's offer document and in accordance with the Trust's Constitution.

The financial statements were authorised for issue by the directors on 28 September 2011. The directors of the Trustee have the power to amend and reissue the financial report.

2 Summary of significant accounting policies

This is a special purpose financial report that has been prepared for the sole purpose of fulfilling the Trustee's responsibilities to prepare and distribute a financial report to members and must not be used for any other purpose. The Trustee has agreed that the accounting policies adopted are appropriate to meet the needs of the unitholders.

As the Trust is not a reporting entity it is not required to prepare financial reports in accordance with Accounting Standards. However, the financial report has been prepared in accordance with accounting policies as set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

(a) Basis of preparation

This special purpose financial report has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia except as follows:

* AASB 7 Financial Instruments Disclosures

* AASB 124 Related Party Disclosures

* AASB 127 Consolidated and Separate Financial Statements

* AASB 128 Investments in Associates

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

Where necessary, comparative information has been reclassified to be consistent with current period disclosures.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

2 Summary of significant accounting policies (continued)

(b) Financial instruments

(i) Classification

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

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

These include financial assets that are not held for trading purposes and which may be sold, such as investments in unlisted trusts, limited partnerships and private equity.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Trustee to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Loans and receivables/payables comprise amounts due to or from the Trust.

(ii) Recognition/derecognition

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

Investments are derecognised when the right to receive cashflows from the investments has expired or the Trust has transferred substantially all risks and rewards of ownership.

(iii) Measurement

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

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

- Fair value in an active market

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

- Fair value in an inactive or unquoted market

  The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, 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 in a market rate at the statement of financial position date applicable for an instrument with similar terms and conditions.

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

  Investments in unlisted trusts are recorded at the redemption value per unit as reported by the managers of such investments. In the absence of quoted values, securities are valued using appropriate valuation techniques as reasonably determined by the Manager, which generally comply with the International Private Equity and Venture Capital Valuation Guidelines as endorsed by the Australian Private Equity & Venture Capital Association Limited (AVCAL), or equivalent standards for non-Australian domiciled investments.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(b) Loans and receivables

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

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

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

(c) Net assets attributable to unitholders

The Trust is a closed-end fund and is not subject to daily applications and redemptions. The fair value of units is measured at the redemption amount that is payable (based on redemption unit price) at the statement of financial position date if unitholders were able to exercise their right to put units back to the Trust.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash includes cash on hand and deposits held at call with financial institutions. Cash equivalents include other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Bank overdrafts, if any, are shown separately on the statement of financial position.

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

(e) Investment income

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit or loss using the effective interest method

Distributions are recognised on an entitlements basis.

(f) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, the Trust is not subject to income tax provided the taxable income of the Trust is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Trust).

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

2 Summary of significant accounting policies (continued)

(g) Income tax (continued)

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

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

(h) Distributions

In accordance with the Trust Constitution, the Trust distributes its distributable (taxable) income, and any other amounts determined by the Trustee, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(i) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties such as Responsible Entity fees have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credit (RITC) at a rate of at least 75% hence investment management fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(j) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

(k) Foreign currency translation

i) Functional and presentation currency

Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). Contributions to and distributions from the Trust will generally be made in United States dollars. The United States dollar therefore, is the Trust's presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Trust does not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

(l) Receivables

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

Receivables include items such as RITC.

2 Summary of significant accounting policies (continued)

(m) Payables

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

The distribution amount payable to unitholders as at the reporting date is recognised separately on the statement of financial position when unitholders are presently entitled to the distributable income under the Trust's Constitution.

(n) Applications and redemptions

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

(o) Use of estimates

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

(p) New accounting standards and interpretations

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

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

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

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

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

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

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

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

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

2 Summary of significant accounting policies (continued)

(p) New accounting standards and interpretations (continued)

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

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

(v) Amendments to IFRS 10 *Consolidated Financial Statements*

IFRS 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and SIC-12 Consolidation - Special Purpose Entities.

This standard is yet to be approved by the Australian Accounting Standards Board and has not been issued in Australia. The standard is not applicable until 1 January 2013 but is available for early adoption.

The Trust has not yet decided when to adopt IFRS 10. Management does not expect this will have a significant effect on the Trust's financial statements.

(vi) IFRS 12 *Disclosures of Interests in Other Entities*

IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

This standard is yet to be approved by the Australian Accounting Standards Board and has not been issued in Australia. The standard is not applicable until 1 January 2013 but is available for early adoption.

The Trust has not yet decided when to adopt IFRS 12. Management does not expect this will have a significant effect on the Trust's financial statements.

(vii) IFRS 13 *Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets.

IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

This standard is yet to be approved by the Australian Accounting Standards Board and has not been issued in Australia. The standard is not applicable until 1 January 2013 but is available for early adoption.

The Trust has not yet decided when to adopt IFRS 13. Management does not expect this will have a significant effect on the Trust's financial statements.

(q) Rounding of amounts

Amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

3 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Trust:

	30 June 2011 USD	30 June 2010 USD
Audit services		
Audit of financial reports	**5,450**	4,300
Total remuneration for audit services	**5,450**	4,300

Audit fees are paid out of the Trustee's own resources. All other expenses are paid by the Trust.

4 Net gains on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial instruments held at fair value through profit or loss:

	30 June 2011 USD '000	30 June 2010 USD '000
Net gains on financial instruments designated as at fair value through profit or loss	**8,515**	14,823
Net loss on financial instruments held for trading	**(35)**	(7)
Net gains on financial assets held at fair value through profit or loss	**8,480**	14,816

5 Net assets attributable to unitholders

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

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. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

	30 June 2011 No. '000	30 June 2010 No. '000	**30 June 2011 USD '000**	30 June 2010 USD '000
Opening balance	**127,000**	127,000	**82,002**	47,902
Call on unitholders	**-**	-	**18,082**	18,415
Expenses paid on behalf on unitholders	**-**	-	**-**	5
(Decrease)/increase in net assets attributable to unitholders	**-**	-	**1,780**	15,680
Closing balance	**127,000**	127,000	**101,864**	82,002

5 Net assets attributable to unitholders (continued)

Capital risk management

The Trust is a closed-end fund and is not subject to daily applications and redemptions. Investment in the Trust is made in instalments. Pursuant to the application for units, each unitholder makes a commitment to meet all future instalment calls made on them over the life of the Trust, until the committed capital is drawn. The committed capital is converted into units by dividing it by the commitment price applicable on the day that the commitment is accepted which is generally $1. Generally, units are non-transferable and non-redeemable. Procedures relating to transfer requests are disclosed in the Trust Constitution.

The Manager commits to underlying investments, based on the committed capital in the Trust. Instalments from the unitholder are payable at the Manager's request but will usually coincide with the Trust's obligation to meet calls by the underlying investment managers. The Trust has sufficient uncalled capital to fund future calls by the underlying investment managers. All investors must be paid up to the same proportion at any given time.

6 Cash and cash equivalents

	30 June 2011 USD '000	30 June 2010 USD '000
Cash at bank	**2,048**	1,163
Total	**2,048**	1,163

7 Financial assets held at fair value through profit or loss

	30 June 2011 Fair value USD '000	30 June 2010 Fair value USD '000
Designated at fair value through profit or loss		
Limited partnerships	**99,842**	80,945
Total financial assets held at fair value through profit or loss	**99,842**	**80,945**

	30 June 2011 Fair value USD '000	30 June 2010 Fair value USD '000
Comprising:		
Limited partnerships		
International limited partnerships	**99,842**	80,945
Total unlisted unit trusts	**99,842**	80,945
Total financial assets held at fair value through profit or loss	**99,842**	**80,945**

8 Reconciliation of profit/(loss) to net cash outflow from operating activities

	30 June 2011 USD '000	30 June 2010 USD '000
(a) Reconciliation of profit/(loss) to net cash outflow from operating activities		
Profit/(loss) for the year	**-**	-
(Decrease)/increase in net assets attributable to unitholders	**1,780**	15,680
Net gains on financial instruments held at fair value through profit or loss	**(8,480)**	(14,816)
Proceeds from sale of financial instruments held at fair value through profit or loss	**3,667**	1,939
Purchase of financial instruments held at fair value through profit or loss	**(3,702)**	(1,597)
Call payments	**(24,530)**	(24,110)
Return of capital received	**14,273**	972
Distributions to unitholders	**11,191**	-
Net change in receivables and other assets	**36**	340
Net change in accounts payable and accrued liabilities	**(118)**	(9)
Net cash outflow from operating activities	**(5,883)**	(21,601)

As described in note 2(j), income not distributed is included in net assets attributable to unitholders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable (i.e. taxable).

9 Events occurring after year end

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

10 Contingent assets, contingent liabilities and commitments

Outstanding commitments in respect of partly paid units at 30 June 2011 totalled $32,858,555 (2010 : $59,987,507).

The investment commitments presented above represent commitments to purchase interests in assets at such time as the managers of those assets request. The precise timing of future calls, and whether such calls will be made at all, is at the discretion of the investment managers of each individual asset within the investment portfolio. The Trust has sufficient uncalled capital to fund future calls by the underlying investment managers.

There are no other outstanding contingent assets, contingent liabilities or commitments as at 30 June 2011 and 30 June 2010.

Trustee's declaration

Macquarie Investment Management Limited, the Trustee of Macquarie Asia Pacific Private Equity Fund (the "Trust") declares, for the year ended 30 June 2011, that:

(a) the financial statements and notes set out on pages 2 to 14 are in accordance with the Trust Deed, including:

(i) complying with Accounting Standards and other mandatory professional reporting requirements as set out in Note 2; and

(ii) giving a true and fair view of the Trust's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

R Cartwright
Director

Sydney
28 September 2011

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Independent auditor's report to the unitholders of Macquarie Asia Pacific Private Equity Fund

We have audited the accompanying special purpose financial report of Macquarie Asia Pacific Private Equity Fund (the "fund"), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Macquarie Investment Management Limited, the trustee of the fund, is responsible for the preparation of the financial report and have determined that the accounting policies described in Note 2 to the financial report, which form part of the financial report, are appropriate to meet the financial reporting requirements of the trust constitution and are appropriate to meet the needs of the unitholders. The trustee is also responsible for such controls as they determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion the financial report is prepared, in all material respects, in accordance with the accounting policies described in Note 2.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report is prepared to assist Macquarie Asia Pacific Private Equity Fund to meet the requirements of the trust constitution. As a result the financial report may not be suitable for another purpose.

Ernst + Young

Ernst & Young
Sydney
28 September 2011