

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**15. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES
(CONTINUED)**

(e) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or liabilities will fluctuate due to changes in foreign exchange rates. The Fund is exposed to foreign currency risk on its cash and cash equivalents and investments which are largely denominated in currencies other than the United States dollar.

The Manager considers the Fund's exposure to foreign currency risk as at 30 June 2006 is minimal.

**16. APPROVAL OF THE FINANCIAL
STATEMENTS**

The financial statements were approved and authorized for issue by the Trustee and the Manager on 24 October 2006.