

**AUSTRALIAN ENHANCED INCOME FUND**  
**Appendix 4D**  
**Half Year Report**  
**For the Half Year ended 31 December 2015**  
**Results for Announcement to the Market**

<b>Revenue &amp; Profit</b>	<b>Change from previous period</b>	<b>Half year to 31/12/2015</b>	<b>Half year to 31/12/2014</b>
Revenue from ordinary activities	8%	\$399,379	\$368,239
Profit/(loss) from ordinary activities after tax attributable to members	(123%)	(\$14,317)	\$60,080
Net profit/(loss) for period attributable to unit holders	(123%)	(\$14,317)	\$60,080

<b>Distributions</b>	<b>Half Year to 31/12/2015</b>	<b>Half Year to 31/12/2014</b>
December Quarter cash distribution	10.0 cents per unit	10.0 cents per unit
Record date for distribution	29/12/2014	29/12/2014
Payment date for distribution	15/1/2015	15/1/2015
Estimated franking	26%	29%
Price of units issued under DRP	\$5.96	\$6.41

Revenue for the 6 months to 31/12/2015 compared to the corresponding previous period reflecting a larger Fund size offset by a fall in interest rates.

The loss for the 6 months to 31/12/2015 reflected higher negative realized and unrealized capital movements compared to gain in the previous period. The negative capital movements reflected the small fall in hybrid prices over the period.

Distributions for the Half Year ending 31 December 2015 were paid in accordance with the Product Disclosure statement (PDS) and the announcements of 16 January 2012 and 7 August 2013, when it was advised that the minimum distribution would be decreased to a rate of 4.0% (40 cents) per annum. Distributions for the Half Year ending 31 December 2015 were 20.0 cents with estimated franking of 36%.

The Distribution Reinvestment Plan (DRP) was in operation for the Final Distribution of 10.0 cents per unit. Participating unitholders were entitled to be allotted the number of units (rounded to the nearest whole number) which the cash distribution would purchase at the relevant issue price. Unitholders wishing to participate in the DRP must have informed Advanced Share Registries Ltd of their intention to do so by 29 December 2015 (the record date). Units issued as part of the DRP were issued at \$5.96

<b>Values</b>	<b>Half Year to 31/12/2015</b>	<b>Half Year to 31/12/2014</b>
Net tangible asset per unit	\$6.004	\$6.481
Closing Unit Price (on market)	\$5.96	\$6.41

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

The accounts have not been audited but have been subject to a review.