

MONTAKA GLOBAL ACCESS FUND
ARSN 607 245 643

GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

Montaka Global Access Fund

ARSN 607 245 643

Directors' Report

The directors of Fundhost Limited, the Responsible Entity of Montaka Global Access Fund ("the Fund"), present their report together with the financial report of the Fund for the year ended 31 December 2017 and the auditor's report thereon.

Responsible Entity

The registered office and principal place of business of the Responsible Entity is:
Suite 1, Level 9
70 Castlereagh Street
Sydney NSW 2000

Directors

The names of the directors of the Responsible Entity in office at any time during or since the end of the year are:

Valerie Anne Monge
Paul Ernest Dortkamp
Robert H Nagel
Drew Wilson (appointed 9th November 2017)

Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Review of Operations

During the year, the Fund continued to invest in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's constitution.

The results of the operations of the Fund are disclosed in the Statement of Comprehensive Income of these financial statements. The net operating profit for the year ended 31 December 2017 was \$8,194,409 (2016: loss \$1,573,541).

In respect of the financial year ended 31 December 2017, the directors of the Responsible Entity report there were no distribution payments (2016: \$1,213,494).

Significant changes in state of affairs

No significant changes in the Fund's state of affairs occurred during the financial year.

Principal activities

The principal activity of the Fund during the financial year was the investment and management of securities in accordance with its investment objectives and guidelines as set out in the Product Disclosure Statement (PDS) and in accordance with the provisions of the Constitution. The Fund only invests in Montaka Global Fund.

The Fund did not have any employees during the financial year (2016: nil).

No significant change in the nature of these activities occurred during the financial year.

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Directors' Report (cont'd)

Events subsequent to the balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future years.

Likely developments

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Likely developments in the operations of the Fund and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Fund.

Interests in the Fund

The movement in units on issue in the Fund during the year and the number of units in the Fund as at the end of the financial year are disclosed in note 3 of the financial statements.

The value of the Fund's assets and liabilities is disclosed in the Statement of Financial Position and derived using the basis set out in note 1 of the financial statements.

Fees paid to and interests held in the Fund by the Responsible Entity

Fees paid to the Responsible Entity out of Fund property during the year are disclosed in note 9(a) of the financial statements.

The number of interests in the Fund held by the Responsible Entity as at the end of the year are disclosed in note 9(c) of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

Environmental regulation

The Fund's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued units or interests in the Fund were granted during or since the end of the financial year and there were no options granted to the Responsible Entity.

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Directors' Report (cont'd)

Indemnities and insurance premiums for officers or auditors

No indemnities have been given or insurance premiums paid by the Fund, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Fund.

To the extent permitted by law, the Responsible Entity has agreed to indemnify its auditors, Ernst & Young, as part of terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Proceedings on behalf of the Fund

No person has applied for leave of Court to bring proceedings on behalf of the Fund or intervene in any proceedings to which the Fund is a party for the purpose of taking responsibility on behalf of the Fund for all or any part of those proceedings.

The Fund was not a party to any such proceedings during the year.

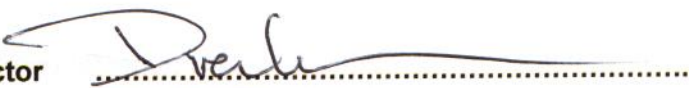
Rounding off of amounts

The Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report and financial statements have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Board of Directors:

Director 
Drew Wilson

Dated at Sydney this 21st day of March 2018.



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Sydney NSW 2000 Australia
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Auditor's Independence Declaration to the Directors of Fundhost Limited

As lead auditor for the audit of the Montaka Global Access Fund for the financial year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Rita Da Silva
Partner
Sydney
21 March 2018

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Statement of Comprehensive Income
For the Year Ended
31 December 2017

	Note	1/01/2017 to 31/12/2017 \$'000	29/07/2015 to 31/12/2016 \$'000
Investment income			
Distribution income		-	1,209
Interest income		3	4
Change in fair value of financial instruments		8,192	(2,805)
Other income		6	19
Total investment income/(loss)		8,201	(1,573)
Expenses			
Management fees	2	7	-
Total expenses		7	-
Net operating profit/(loss) before finance costs		8,194	(1,573)
Finance costs attributable to unitholders			
Distribution expense to unitholders	4	-	(1,213)
Net operating profit/(loss) after finance costs		8,194	(2,786)
Other comprehensive income		-	-
Change in net assets attributable to unitholders	3	8,194	(2,786)

The accompanying notes form part of these financial statements.

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Statement of Financial Position
As at 31 December 2017

	Note	31/12/2017 \$'000	31/12/2016 \$'000
Assets			
Cash and cash equivalents	8(a)	576	81
Receivables	5	-	19
Financial assets held at fair value through profit or loss	7	68,641	62,897
Total assets		69,217	62,997
Liabilities			
Payables	6	7	-
Total liabilities (excluding net assets attributable to unitholders)		7	-
Net assets attributable to unitholders		69,210	62,997

The accompanying notes form part of these financial statements.

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**Statement of Changes in Equity
For the Year Ended 31 December 2017**

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 accompanying notes form part of these financial statements.

Montaka Global Access Fund
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Statement of Cash Flows
For the Year Ended 31 December 2017

	1/01/2017 to 31/12/2017	29/07/2015 to 31/12/2016
Note	\$'000	\$'000
Cash flows from operating activities		
Distributions received	-	1,209
Interest received	3	4
Other income received	24	-
Net cash provided by operating activities	27	1,213
Cash flows from investing activities		
Proceeds from sale of financial assets held at fair value through profit or loss	11,080	3,168
Payment for financial assets held at fair value through profit or loss	(8,631)	(68,870)
Net cash provided by/(used in) investing activities	2,449	(65,702)
Cash flows from financing activities		
Proceeds from issue of units	8,681	68,885
Payments for redemption of units	(10,662)	(4,013)
Distribution paid	-	(302)
Net cash (used in)/provided by financing activities	(1,981)	64,570
Net increase in cash held	495	81
Cash at beginning of the year	81	-
Cash at end of the year	576	81

The accompanying notes form part of these financial statements.

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Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 1. Statement of significant accounting policies

This financial report covers Montaka Global Access Fund as an individual entity.

The Fund is a registered investment scheme under the Corporations Act 2001. The financial report of the Fund is for the year ended 31 December 2017. The Montaka Global Access Fund (“the Fund”) was constituted as a registered scheme on 29 July 2015 and commenced operation on 6 October 2015. As a result, the comparative information covers the period from 29 July 2015 to 31 December 2016.

The Fund invests substantially all of its assets in the Montaka Global Fund (the “Trust”), an unregistered wholesale Australian resident unit trust. The Trust invests substantially all of its assets in the Montaka Global Offshore Fund, which in turn invests in the Montaka Global Master Fund (the “Master Fund”). The Master Fund is a Cayman Islands domiciled investment company that invests in global securities.

The financial statements were approved by the Board of Directors of the Responsible Entity on 21 March 2018.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”), Australian Accounting Interpretations, and the Corporations Act 2001.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following notes.

On the face of the Statement of Financial Position, all assets and liabilities are presented in decreasing order of liquidity and not distinguished between current and non-current.

The Fund is a for-profit entity for the purpose of preparing financial statements.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) Reporting basis and conventions

The financial report has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars except where otherwise stated.

Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 1. Statement of significant accounting policies (cont'd)

Basis of preparation (cont'd)

(iii) Use of estimates and judgements

In the application of accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

a. Financial instruments

(i) Classification

The Fund's investments are classified 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. These are investments in equity instruments.

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 Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

The Fund 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 cash flows from the investments have expired or the Fund 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 is measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 1. Statement of significant accounting policies (cont'd)

a. Financial instruments (cont'd)

(iii) Measurement (cont'd)

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

- 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 last sale prices, while financial liabilities are priced at current asking prices. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

- 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 is a market rate at the balance date applicable for an instrument with similar terms and conditions.

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

(b) Loans and receivables

Loan and receivables are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any.

(iv) Assessment as an investment entity

A Fund that meets the definition of an investment entity within AASB 10 is required to measure its subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are, as follows:

- Obtains funds from one or more investors for the purpose of providing those investors with investment services;
- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and

Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 1. Statement of significant accounting policies (cont'd)

a. Financial instruments (cont'd)

(iv) Assessment as an investment entity (cont'd)

- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Fund's PDS details its objective of providing investment management services to investors.

The Fund's investment to the Trust is recognised at fair value in the Fund's financial report.

The Management has concluded that the Fund meets the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

b. Impairment of assets

At each reporting date the Responsible Entity assesses whether there is objective evidence that a financial instrument has been impaired.

A significant or prolonged decline in the fair value below cost is evidence of impairment.

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

If in a subsequent year the amount of an impairment loss recognised on a financial asset carried at amortised cost increases and the increase can be linked objectively to an event occurring after the write-down, the write-down is reversed through the Statement of Comprehensive Income.

c. Investment income and expenses

Unrealised gains and losses on revaluation of investments to fair value, are recognised in the Statement of Comprehensive Income.

Realised gains and losses on sale are recognised as investment income in the Statement of Comprehensive Income. Gross proceeds from sale of investments are disclosed in the Statement of Cash Flows.

Distributions from unit trust are recognised as income in the Statement of Comprehensive Income when declared.

Interest income and expenses are 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. Interest income on assets held at fair value through the profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 1(a).

Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 1. Statement of significant accounting policies (cont'd)

c. Investment income and expenses (cont'd)

All expenses including management fees are recognised on an accrual basis in the Statement of Comprehensive Income.

d. Foreign currency translation

i) Functional and presentation currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund'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. Monetary assets and liabilities denominated in foreign currencies are translated into Australian dollars at the exchange rate at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the reporting date. The foreign exchange gains and losses resulting from these translations are recognised in the Statement of Comprehensive Income.

The Fund 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 in the Statement of Comprehensive Income.

e. Management fees

In accordance with the Constitution, the Fund's managers are entitled to a management fee of 1.85% per annum of the value of the Fund payable on a monthly basis.

f. Performance fees

The Fund's performance fee is nil, however the Master Fund may pay a performance fee equal to 20% of the amount by the net asset value of shares in the Master Fund at the end of the calculation period (being 31 December, and annually thereafter) that exceeds the Hurdle Accumulation. The method of calculating the performance fee is summarised in the current PDS.

g. Income tax

Under current legislation, the Fund is not subject to income tax provided taxable income including assessable capital gains is fully distributed to unitholders.

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

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Notes To The Financial Statements For the Year Ended 31 December 2017

NOTE 1. Statement of significant accounting policies (cont'd)

h. Distributions

In accordance with the Fund Constitution and applicable taxation legislation, the Fund fully distributes its distributable income to the unitholders by way of cash or reinvestment into the Fund. The distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

The distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

Distributions to unitholders comprise the net income of the Fund to which the unitholders are presently entitled. The distributions (if any) are payable at the end of June each year.

i. Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC") at a rate of 75% (55% on Responsible Entity fees) hence investment management fees, administration fees, custodial 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. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and at call deposits with banks or financial institutions and investments in money market instruments with original maturities of less than three months and net of bank overdrafts.

k. Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

l. Payables

Trade payables and other accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

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 Fund's Constitution.

Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 1. Statement of significant accounting policies (cont'd)

m. Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance sheet date if unitholders' exercised their right to redeem units in the Fund.

n. Exit price

The unit exit price is calculated in accordance with the Constitution of the Fund and is determined by the value of the assets of the Fund less its liabilities adjusted for estimated transaction costs, divided by the number of units on issue.

o. Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. No exit fees are charged. Unit redemption prices are determined by reference to the net assets of the Fund divided by the number of units on issue at or immediately prior to close of business each month.

p. New standards and interpretations not yet adopted

New Accounting Standards and Interpretations

Australian Accounting Standards issued but not yet effective

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the reporting year ended 31 December 2017. When applied in future periods, these recently issued or amended standards are not expected to have a material impact on the Fund's financial results or reporting position, however, they may impact Financial Report disclosures.

AASB 9 – Financial Instruments - classification and measurement

AASB 9 applies to annual reporting periods beginning on or after 1 January 2018 and will therefore apply to the Fund from 1 January 2018. The Fund does not intend to early adopt AASB 9 as permitted by the standard. The application of the standard is not expected to change the measurement basis of any of the Fund's current financial instruments. AASB 9 also introduces a new expected loss impairment model, which results in full lifetime expected credit losses recognised on a more timely basis. The Fund does not expect the application of the new impairment requirements to have a material impact on its financial assets not measured at fair value through profit or loss, which includes cash and cash equivalents, deposits with banks and other financial institutions and other receivables.

AASB 15 - Revenue from Contracts with Customers

AASB 15 applies to annual reporting periods beginning on or after 1 January 2018 and will therefore apply to the Fund from 1 January 2018. The application of the standard is not expected to have a material impact on the Fund.

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Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 2. Expenses

The amounts paid or due and payable to the Fund's managers in accordance with the Constitution were:

	1/01/2017 to 31/12/2017 \$'000	29/07/2015 to 31/12/2016 \$'000
Management fees	7	-
	<u>7</u>	<u>-</u>

NOTE 3. Net assets attributable to unitholders

	1/01/2017 to 31/12/2017 No.'000	1/01/2017 to 31/12/2017 \$'000	29/07/2015 to 31/12/2016 No.'000	29/07/2015 to 31/12/2016 \$'000
Opening balance	66,559	62,997	-	-
Units issued during the year	8,720	8,681	69,908	68,885
Units redeemed during the year	(10,629)	(10,662)	(4,364)	(4,013)
Distributions reinvested	-	-	1,015	911
Change in net assets attributable to unitholders	-	8,194	-	(2,786)
Closing balance	<u>64,650</u>	<u>69,210</u>	<u>66,559</u>	<u>62,997</u>

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

NOTE 4. Distributions to unitholders

	31/12/2017 \$'000	31/12/2016 \$'000
Distributions paid	-	1,213
Cents per unit	-	1.9994

NOTE 5. Receivables

	31/12/2017 \$'000	31/12/2016 \$'000
Management fee rebate receivable	-	19
	<u>-</u>	<u>19</u>

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Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 6. Payables

	31/12/2017	31/12/2016
	\$'000	\$'000
Recoverable expenses payable	7	-
	<u>7</u>	<u>-</u>

NOTE 7. Financial assets and liabilities held at fair value through profit or loss

Financial assets	31/12/2017	31/12/2016
	\$'000	\$'000
Units in an unlisted trust Montaka Global Fund	68,641	62,897
	<u>68,641</u>	<u>62,897</u>

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 11.

NOTE 8. Cash flow information

	31/12/2017	31/12/2016
	\$'000	\$'000
a) Reconciliation of cash and cash equivalents		
Cash balance comprises:		
Cash at bank	576	81
Total cash and cash equivalents	<u>576</u>	<u>81</u>

b) Reconciliation of net operating income to cash flows from operating activities

	1/01/2017 to	29/07/2015 to
	31/12/2017	31/12/2016
	\$'000	\$'000
Net operating profit/(loss) before finance costs	8,194	(1,573)
Change in fair value of financial instruments	(8,192)	2,805
Changes in assets and liabilities:		
Increase in payables	7	-
Decrease/(increase) in receivables	18	(19)
Net cash provided by operating activities	<u>27</u>	<u>1,213</u>

Non-cash items relating to reinvestment of distributions paid are included in Note 3. There were no other non-cash items.

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Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 9. Related party disclosures

a. Fundhost Limited - fees

Fundhost Limited (ACN 092 517 087) as Responsible Entity of the Montaka Global Access Fund provides services to the Fund in accordance with the Fund's Constitution. Transactions with the Responsible Entity have taken place on normal commercial terms and conditions. During the year, \$7,153 was paid or payable to the Responsible Entity (2016: \$nil).

b. Montgomery Global Investment Management Pty Limited - fees

Montgomery Global Investment Management Pty Ltd (ABN 62 604 878 533), as Investment Manager of the Montaka Global Access Fund, provides services to the Fund in accordance with the Fund's Constitution. Transactions with the Investment Manager have taken place on normal commercial terms and conditions.

During the year the following amounts were reimbursed from the Investment Manager.

	2017	2016
	\$	\$
Management fees	(5,745)	-

c. Fundhost Limited - Key Management Personnel

Fundhost Limited as Responsible Entity and Montgomery Global Investment Management Pty Ltd as Investment Manager are considered key management personnel. The Fund does not employ personnel in its own right.

The Directors of Fundhost Limited, the Responsible Entity, during the year were:

Valerie Anne Monge

Paul Ernest Dortkamp

Robert H Nagel

Drew Wilson (appointed 9th November 2017)

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the year (2016: nil).

There were no units held in the Montaka Global Access Fund by the Responsible Entity and by Directors and their respective related parties (2016: nil).

Key management personnel are paid by Fundhost Limited. Payments made from the Fund to Fundhost Limited do not include any amounts attributable to the compensation of key management personnel.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year. There were no post-employment benefits paid to a director or key personnel of the Responsible Entity.

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Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 9. Related party disclosures (cont'd)

c. Fundhost Limited - Key Management Personnel (cont'd)

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the year and there were no material contracts involving director's interests existing at year end.

d. Montgomery Global Investment Management Pty Ltd - Key management personnel

The Directors of Montgomery Global Investment Management Pty Ltd during the year were:

David Buckland
Paul John Mason
Andrew Peter Macken

There were no units held in Montaka Global Access Fund by the Investment Manager and by its Directors and their respective related parties.

e. Related party holdings of the Fund

Details of the Fund's holdings in related parties are set out below:

	Fair value \$'000	Interest held (%)	Distributions/interest received or receivable during the financial year \$'000
31 December 2017			
Montaka Global Fund	68,641	81.37%	-
31 December 2016			
Montaka Global Fund	62,897	83.64%	1,209

Montgomery Global Investment Management Pty Ltd is the investment manager of Montaka Global Access Fund and Montaka Global Fund.

NOTE 10. Auditor's remuneration

	2017	2016
Amounts received or due and receivable by EY for:	\$	\$
Review of the half yearly financial report of the Fund	3,800	-
Audit of the financial report of the Fund	6,200	6,000
Compliance plan audit services	3,600	3,500
	13,600	9,500

Auditor's remuneration for the financial year ended 31 December 2017 and 31 December 2016 have been paid by the Investment Manager.

Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 11. Financial risk management

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's PDS and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by the investment management team at Montgomery Global Investment Management Pty Ltd.

The Fund uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of price risks, interest rate and foreign exchange risks, and ratings analysis for credit risk.

Compliance with the Fund's PDS is reported to the Fundhost Limited Board on a monthly basis.

(a) Market risk

(i) Price risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Investments are classified on the Statement of Financial Position as financial assets held at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund invests in the Montaka Global Fund, an Australian unit trust offered to wholesale investors only. The Fund and the Montaka Global Fund are part of the Montaka Fund.

The Montaka Fund invests in a portfolio of quality global equities listed on major global exchanges (the Long Portfolio) purchased at a discount to our estimate of its intrinsic value. It also seeks to profit through borrowing and selling short (the Short Portfolio) the securities of companies it believes are in, for example, structural decline, subject to the adverse impacts of disruption or fraud. Typically, the Montaka Fund seeks to hold 15 to 30 long positions and partially offsets these with 25 to 40 short positions.

The Montaka Fund seeks to generate materially higher risk-adjusted returns, net of fees, than is available in the market place over the medium-term. The Montaka Fund will also seek to offer a significant level of capital preservation, across all market cycles. Returns are not guaranteed.

The table below summarises the impact of an increase/decrease in the market value of the share portfolio on the Fund's net assets attributable to unitholders at 31 December 2017 and 31 December 2016 and profit from operating activities. The analysis is based on the assumptions that the security prices increased/decreased by 10% with all other variables held constant and that the fair value of the Fund's portfolio moved according to this.

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Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 11. Financial risk management (cont'd)

(a) Market risk (cont'd)

(i) Price risk (cont'd)

	Impact on operating profit		Net assets attributable to unitholders	
	Higher/(Lower)		Higher/(Lower)	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Share portfolio value +10%	6,864	6,290	6,864	6,290
Share portfolio value -10%	(6,864)	(6,290)	(6,864)	(6,290)

(ii) Interest rate risk

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates on its financial position and cash flows.

The Fund's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial liabilities, is as follows:

	Weighted Average Effective Interest		Floating Interest Rate		Non Interest Bearing		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:								
Cash and cash equivalents	1.25	1.25	576	81	-	-	576	81
Receivables	-	-	-	-	-	19	-	19
Financial assets held at fair value through profit and loss	-	-	-	-	68,641	62,897	68,641	62,897
Total Financial Assets			576	81	68,641	62,916	69,217	62,997
Financial Liabilities (excluding unitholder funds):								
Payables	-	-	-	-	7	-	7	-
Distribution payable	-	-	-	-	-	-	-	-
Total Financial Liabilities			-	-	7	-	7	-
Net exposure			576	81	68,634	62,916	69,210	62,997

Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 11. Financial risk management (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

The interest rate risk for financial assets above is not material in terms of the possible impact on profit and loss or total net assets attributable to unitholders. It has therefore not been included in the sensitivity analysis.

(b) Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemption of its redeemable units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's Constitution.

All financial liabilities have maturity term within a month, other than net assets attributable to unitholders described below.

The liquidity risks associated with the need to satisfy unitholders' requests for redemptions are mitigated by maintaining a constant pool of cash to satisfy usual levels of demand. Investors need to provide 1 month plus 5 business days' notice.

Normally once Fundhost Limited decides the unitholder can withdraw their money, it takes 5 business days to process the request (although the Constitution for the Fund allows a reasonable period, which could be longer), and funds are then paid to the unitholder in accordance with instructions.

The Responsible Entity monitors liquidity on a monthly basis.

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a weekly basis as the Fund is subject to weekly applications and redemptions at the discretion of unitholders.

The Fund monitors the level of monthly applications and redemptions relative to the liquid assets in the Fund.

The Montaka Fund seeks to generate materially higher risk-adjusted returns, net of fees, than is available in the market place over the medium-term. The Montaka Fund will also seek to offer a significant level of capital preservation, across all market cycles. Returns are not guaranteed.

(c) Credit risk

Credit risk primarily arises from investments in debt securities and from trading derivative products. The Fund's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past due but not impaired. The Fund does not invest in debt securities.

The carrying amount of financial assets approximates fair value as at the reporting date.

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Notes To The Financial Statements
For the Year Ended 31 December 2017

NOTE 11. Financial risk management (cont'd)

(c) Credit risk (cont'd)

The Fund trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Fund's policy to securitise its trade and other receivables.

NOTE 12. Fair value of financial instruments

Financial instruments carried at fair value are categorised under a three level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels are:

Level 1: Valued using quoted prices in active markets for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: Valued using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), including: quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities, and other inputs that are not quoted prices but are observable for the asset or liability. The prices for the Fund are based on redemption unit prices quoted by the investment or trustee.

Level 3: Valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable inputs are determined based on the best information available, which might include the Fund's own data, reflecting the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Valuation techniques are used to the extent that observable inputs are not available.

The following table shows an analysis of financial instruments held at the balance date, recorded at fair value by level of the fair value hierarchy:

31/12/2017

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Montaka Global Fund	-	69,116	-	69,116
Total	-	69,116	-	69,116

31/12/2016

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Montaka Global Fund	-	62,897	-	62,897
Total	-	62,897	-	62,897

There have been no transfers between levels during 2017 (2016: nil).

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**Notes To The Financial Statements
For the Year Ended 31 December 2017**

NOTE 13. Unconsolidated Subsidiary

Subsidiary Name	Principal place of business	31 December 2017 Ownership interest (%)	31 December 2016 Ownership interest (%)
Montaka Global Fund	Australia	81.37%	83.64%

The above subsidiary does not control any further subsidiaries

Restrictions

The Fund receives income in the form of trust distributions and interest from its investments in unconsolidated subsidiary, and there are no significant restrictions on the transfer of funds from this entity to the Fund.

Support

The Fund has no contractual commitments or current intentions to provide any other financial support to its unconsolidated subsidiary.

NOTE 14. Contingent Assets and Liabilities and Commitments

There are no contingent assets and liabilities or commitments as at 31 December 2017 (2016: nil).

NOTE 15. Events Subsequent To Balance Sheet Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operation of the Fund, the results of those operations, or the state of affairs of the entity in future financial years.

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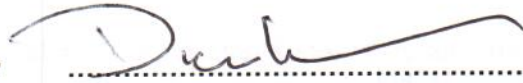
Directors' Declaration

The Directors of the Responsible Entity declare that:

- (i) The financial statements and notes are prepared in accordance with the Corporations Act 2001, including:
 - a) complying with Australian Accounting Standards and the Corporations Regulations 2001;
 - b) giving a true and fair view of the Fund's financial position as at 31 December 2017 and of its performance for the year ended on that date.
- (ii) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1.
- (iii) In the Director's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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

Director



.....
Drew Wilson

Dated at Sydney this 21st day of March 2018.

Independent Auditor's Report to the unitholders of Montaka Global Access Fund

Opinion

We have audited the financial report of Montaka Global Access Fund (the "Fund"), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Fund's financial position as at 31 December 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors of Fundhost Limited as the Responsible Entity of the Fund (the "Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Responsible Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Rita Da Silva
Partner
Sydney
21 March 2018