

**MONTAKA GLOBAL LONG ONLY FUND**  
**(FORMERLY MONTGOMERY GLOBAL FUND)**

**ARSN 604 883 418**

**INTERIM REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**Directors' Report**

The directors of Fundhost Limited, the Responsible Entity of the Montaka Global Long Only Fund (formerly Montgomery Global Fund) (the "Fund"), present their report together with the interim report of the Fund for the half-year ended 31 December 2020.

**Directors**

The names of the directors of the Responsible Entity in office at any time during or since the end of the half-year and up to the date of this report are:

Valerie Anne Monge  
 Paul Ernest Dortkamp  
 Robert H Nagel  
 Drew Wilson

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

**Review and results of operations**

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The resulting global travel restrictions, increased lockdowns in certain countries and restrictions on social gatherings are having an ongoing impact on business and economic activity both in Australia and overseas. The fair values of the Fund's assets as at 31 December 2020 reflect the conditions known as at that date. The evolving COVID-19 health situation and its impact on investment markets are being closely monitored.

During the half-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 this interim report.

	<b>Half-year ended</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Net operating profit	8,718	11,955
<i>Distributions</i>	-	-
Distributions payable	-	-

**Significant changes in state of affairs**

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

**Events subsequent to the balance date**

Effective from 14 January, 2021 the Responsible Entity modified the Constitution to change the name of the Fund from the 'Montgomery Global Fund' to the 'Montaka Global Long Only Fund' and updated the name of the Investment manager from 'Montgomery Global Investment Management Pty Ltd' to 'MGIM Pty Ltd'.

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

**Rounding**

The Fund is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument class order 2016/191 applies. Accordingly, amounts in the interim report have been rounded to the nearest thousand dollars, 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 3.

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



Drew Wilson  
 Director

Dated this 17th day of February 2021



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## **Auditor's Independence Declaration to the Directors of Fundhost Limited**

As lead auditor for the review of the half-year financial report of Montaka Global Long Only Fund (formerly, Montgomery Global Fund) for the half-year ended 31 December 2020, 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 review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

*Ernst & Young*

Ernst & Young

Stacey Hooper  
Partner  
17 February 2021

**Statement of Comprehensive Income**  
**For the half-year ended 31 December 2020**

	Notes	1 July 2020 to 31 Dec 2020 \$'000	1 July 2019 to 31 Dec 2019 \$'000
<b>Investment income</b>			
Dividend income		489	1,083
Interest income from financial assets at amortised cost		-	40
Net gains on investments in financial assets held at fair value through profit or loss		15,274	14,202
Net loss from foreign exchange movements		(5,645)	(1,557)
<b>Total net investment income</b>		<u>10,118</u>	<u>13,768</u>
<b>Expenses</b>			
Management fees		1,091	1,338
Transaction fees		239	378
Other expenses		70	97
<b>Total expenses</b>		<u>1,400</u>	<u>1,813</u>
<b>Net operating profit</b>		<u>8,718</u>	<u>11,955</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>	2	<u>8,718</u>	<u>11,955</u>

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.*

**Statement of Financial Position**  
**As at 31 December 2020**

	Notes	31/12/2020 \$'000	30/06/2020 \$'000
<b>Assets</b>			
Cash and cash equivalents		8,558	43,938
Receivables		147	4,352
Financial assets held at fair value through profit or loss	4	161,413	143,385
<b>Total assets</b>		<u>170,118</u>	<u>191,675</u>
<b>Liabilities</b>			
Payables		303	576
Distributions payable	3	-	3,915
Financial liabilities held at fair value through profit or loss	5	-	1,004
<b>Total liabilities</b>		<u>303</u>	<u>5,495</u>
<b>Net assets</b>		<u>169,815</u>	<u>186,180</u>
<b>Total equity</b>		<u>169,815</u>	<u>186,180</u>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.*

**Statement of Changes in Equity**  
**For the half-year ended 31 December 2020**

		1 July 2020 to 31 Dec 2020 \$'000	1 July 2019 to 31 Dec 2019 \$'000
<b>Opening balance at 1 July</b>		186,180	197,088
<b>Comprehensive income for the period</b>			
Net operating income		8,718	11,955
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<u>8,718</u>	<u>11,955</u>
<b>Transactions with unitholders</b>			
Applications		6,374	18,486
Redemptions		(33,604)	(15,427)
Distributions to unitholders	3	-	-
Distributions reinvested		2,147	14,062
		<u>(25,083)</u>	<u>17,121</u>
<b>Closing balance at 31 December</b>	2	<u>169,815</u>	<u>226,164</u>

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.*

**Statement of Cash Flows**  
**For the half-year ended 31 December 2020**

	1 July 2020 to 31 Dec 2020 \$'000	1 July 2019 to 31 Dec 2019 \$'000
<b>Cash flows from operating activities</b>		
Dividends and distributions received	417	1,101
Interest received	-	57
Management fees paid	(1,110)	(1,315)
Other expenses paid	(265)	(401)
Net cash outflow from operating activities	<u>(958)</u>	<u>(558)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of financial assets held at fair value through profit or loss	76,504	107,841
Payments for purchase of financial assets held at fair value through profit or loss	(81,731)	(95,877)
Net cash (outflow) / inflow from investing activities	<u>(5,227)</u>	<u>11,964</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	6,424	18,364
Payments for redemption of units	(33,851)	(15,484)
Distributions paid	(1,768)	(12,054)
Net cash outflow financing activities	<u>(29,195)</u>	<u>(9,174)</u>
Net (decrease) / increase in cash held	(35,380)	2,232
Cash and cash equivalents at the beginning of the half-year	43,938	21,395
Effect of exchange rate changes on cash and cash equivalents	-	(1)
<b>Cash and cash equivalents at the end of the half-year</b>	<u>8,558</u>	<u>23,626</u>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.*

**Notes to the Financial Statements**  
**For the half-year ended 31 December 2020**

**Note 1. Statement of Significant Accounting Policies**

This interim report covers Montaka Global Long Only Fund (formerly Montgomery Global Fund) (the "Fund") as an individual entity.

The Fund is a registered investment scheme under the Corporations Act 2001. The interim report of the Fund is for the half-year ended 31 December 2020. The Fund was constituted as a registered scheme on 20 March 2015 with Australian Securities & Investments Commission ("ASIC").

The Responsible Entity of Montaka Global Long Only Fund (formerly Montgomery Global Fund) is Fundhost Limited (ABN 69 092 517 087). The Responsible Entity's registered office is Suite 5.01, Level 5, 28 O'Connell Street, Sydney, NSW 2000.

The interim report was authorised for issue by the Directors on 17 February 2021. The Directors of the Responsible Entity have the power to amend and reissue the financial reports.

**Basis of preparation**

This interim report is a financial report that has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards AASB134: *Interim Financial Reporting*.

This interim report does not include all the notes of the type normally included in annual report. Accordingly, this interim report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

The interim report has been prepared on the basis of historical costs except for financial assets held at fair value through profit or loss that have been measured at fair value.

The interim report is presented in Australian Dollars and all values are rounded to the nearest thousand except where otherwise indicated.

The Fund is a for-profit unit trust for the purpose of preparing this interim report.

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

The interim report complies with Australian Accounting Standards applicable to interim reporting as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) applicable to interim reporting as issued by the International Accounting Standards Board.

*(ii) 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.

**Fair value measurement of investments in financial instruments**

The majority of the Fund's investments are listed equities measured at fair value through profit or loss. Where available, quoted market prices for the same or similar instrument are used to determine fair value. Where there is no market price available for an instrument, a valuation technique is used. Judgment is applied in selecting valuation techniques and setting valuation assumptions and inputs.

**New accounting standards and interpretations**

All new accounting standards that are applicable to the Fund for the 31 December 2020 reporting period have been adopted and do not have a material impact on the interim report. There are no new accounting standards and interpretations that have been issued, but not yet effective, that are material to the interim report or have been early adopted for the 31 December 2020 reporting period.



**Notes to the Financial Statements**  
**For the half-year ended 31 December 2020**

**Note 2. Equity**

	1 July 2020 to 31 Dec 2020 Units '000	1 July 2019 to 31 Dec 2019 Units '000	1 July 2020 to 31 Dec 2020 \$'000	1 July 2019 to 31 Dec 2019 \$'000
Opening balance at 1 July	168,688	167,853	186,180	197,088
Units issued during the half-year	5,525	15,507	6,374	18,486
Units redeemed during the half-year	(29,515)	(13,077)	(33,604)	(15,427)
Distribution reinvested	1,945	11,976	2,147	14,062
Total comprehensive income for the period	-	-	8,718	11,955
Closing balance 31 December	<u>146,643</u>	<u>182,259</u>	<u>169,815</u>	<u>226,164</u>

**Note 3. Distributions to unitholders**

There has been no distributions paid to unitholders during the period (31 December 2019: nil).

**Note 4. Financial assets held at fair value through profit or loss**

	31/12/2020 \$'000	30/06/2020 \$'000
Listed equity securities	161,359	143,385
Derivatives	54	-
	<u>161,413</u>	<u>143,385</u>

**Note 5. Financial liabilities held at fair value through profit or loss**

	31/12/2020 \$'000	30/06/2020 \$'000
Derivatives	-	1,004
	<u>-</u>	<u>1,004</u>

**Note 6. 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.

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.

**Notes to the Financial Statements**  
**For the half-year ended 31 December 2020**

**Note 6. Fair value of financial instruments (cont'd)**

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

<b>31/12/2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Listed equity securities	161,359	-	-	161,359
Derivative financial asset	-	54	-	54
<b>Total</b>	<b>161,359</b>	<b>54</b>	<b>-</b>	<b>161,413</b>

  

<b>30/06/2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Listed equity securities	143,385	-	-	143,385
Derivative financial liabilities	-	(1,004)	-	(1,004)
<b>Total</b>	<b>143,385</b>	<b>(1,004)</b>	<b>-</b>	<b>142,381</b>

**Transfers between levels**

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels in the fair value hierarchy at the end of the reporting period (30 June 2020: nil).

**Note 7. Commitments and contingencies**

There were no commitments nor contingent assets and liabilities at 31 December 2020 (2019: nil).

**Note 8. Events subsequent to balance date**

Effective from 14 January, 2021 the Responsible Entity modified the Constitution to change the name of the Fund from the 'Montgomery Global Fund' to the 'Montaka Global Long Only Fund'. Effective 5 February 2021, the Investment Manager updated their name from 'MGIM Pty Ltd' to "Montaka Global Pty Ltd".

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

**Directors' Declaration**

The Directors of the Responsible Entity declare that:

- (i) The interim report and notes are prepared in accordance with the Corporations Act 2001, including:
  - a) complying with AASB134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b) giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
- (ii) 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 Board of Directors.



**Director**

.....  
**Drew Wilson**

**Dated this 17th day of February 2021**



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## **Independent Auditor's Review Report to the unitholders of Montaka Global Long Only Fund (formerly Montgomery Global Fund)**

### **Report on the Half Year Financial Report**

#### **Conclusion**

We have reviewed the accompanying half-year financial report of Montaka Global Long Only Fund (formerly, Montgomery Global Fund) (the Fund), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Fund is not 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 2020 and of its financial performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Directors' Responsibility for the Half-Year Financial Report**

The directors of Fundhost Limited as the Responsible Entity of the Fund are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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## **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Ernst & Young*

Ernst & Young

Stacey Hooper  
Partner  
Sydney  
17 February 2021