



Munro Global Growth Fund

ARSN 612 854 547

Financial Report

For the period from 1 August 2016 (commencement of operations) to 30 June 2017

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Directors' Report

The directors of Munro Asset Management Limited (the "Responsible Entity"), the Responsible Entity of Munro Global Growth Fund (the "Fund"), submit their report together with the financial statements of the Fund for the period ended 30 June 2017.

The financial report has been prepared for the Munro Global Growth Fund as it is a disclosing entity under the *Corporations Act 2001*.

Responsible Entity

The Responsible Entity of the Fund is Munro Asset Management Limited (ABN 28 163 522 254; AFSL 480 509). The registered office and principal place of business of the Responsible Entity is Level 19, 80 Collins Street, Melbourne Australia 3000.

Investment Manager

Munro Partners (the "Investment Manager") is the Investment Manager of the Fund.

Directors and Senior Management

The names of the directors and company secretary of the Responsible Entity, during the period and up to the date of this report are:

Name	Title
Peter Griffin	Director
Nicholas Griffin	Director
Jonathan Spensley	Director
Ronald Calvert	Director and Company Secretary
Peter Nichols	Director (appointed 31 May 2017)

Principal Activities

The Fund is an Australian registered managed investment scheme which was constituted on 6 June 2016. The Fund commenced operations on 1 August 2016 and is domiciled in Australia.

The Fund invests its fund in accordance with the provision of the Fund's Constitution and the current Product Disclosure Statement. The Fund continued its investment objective to generate double digit annualised returns over the medium to long term, whilst maintaining a capital preservation mindset. The Fund invests in international listed equities and exchange traded derivatives, over the counter equity swaps and cash equivalent instruments.

The Fund did not have any employees during the period.

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Comprehensive Income of these financial statements. The net profit attributable to unitholders for the period 1 August 2016 to 30 June 2017 was \$5,438,615.

Distributions

A distribution of \$2,172,914 was payable at 30 June 2017. A total of \$518,437 of this distribution was reinvested in the Fund on 3 July 2017, with \$1,654,477 paid on 10 July 2017.

Directors' Report (continued)***Value of Assets and Units Issued***

The following units of the Fund were on issue as at 30 June 2017:

	Period from 1 August 2016 to 30 June 2017	
	No. of Units '000	\$'000
Founder units	25,395	27,875
Ordinary units	37,018	40,571
Total units	62,413	68,446

Significant Changes in State of Affairs

During the period, there were no significant changes in the state of affairs of the Fund.

Subsequent Events

There has been no matter or circumstances occurring subsequent to the end of the period that has 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 financial years.

Likely Developments and Expected Results of Operations

The Fund will be managed in accordance with the Fund's Constitution and investment objectives as detailed in its most recent Product Disclosure Statement, dated 1 March 2017.

Further information on likely developments in the operations of the Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

Environmental Regulation and Performance

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Indemnification of Directors, Officers and Auditors

During the period, the Responsible Entity paid premiums in respect of contracts insuring the directors of the Responsible Entity against a liability incurred as a director or executive officer to the extent permitted by the Corporations Act 2001. The contracts of insurance prohibit disclosure of the nature of the liability and the amount of the premiums.

The Fund has not directly indemnified or insured directors or officers. The Responsible Entity has not otherwise, during or since the end of the period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability as such an officer or auditor.

Rounding

The amounts contained in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$000) under the option available to the Fund under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Fund is an entity to which this legislative instrument applies.

Directors' Report (continued)

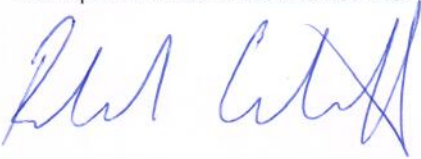
Auditor

Ernst & Young was appointed as auditor of the Fund and continues in office in accordance with Section 327 of the *Corporations Act 2001*.

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.

The report is made in accordance with a resolution of the directors.



Ronald Calvert

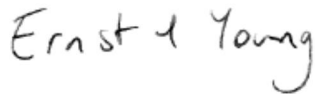
Director

18 September 2017

Auditor's Independence Declaration to the Directors of Munro Asset Management Limited as Responsible Entity for Munro Global Growth Fund

As lead auditor for the audit of Munro Global Growth Fund for the financial year ended 30 June 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



Rohit Khanna
Partner
Sydney
18 September 2017

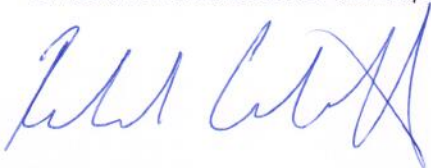
Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 8 to 32 are in accordance with the *Corporations Act 2001*, including:
- complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of the Fund's financial position as at 30 June 2017 and its performance for the period ended on that date.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Responsible Entity.

On behalf of the directors of the Responsible Entity, Munro Asset Management Limited.



Ronald Calvert

Director

18 September 2017

Independent Auditor's Report to the Unitholders of Munro Global Growth Fund

Opinion

We have audited the financial report of Munro Global Growth Fund (the "Fund"), which comprises the statement of financial position as at 30 June 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 Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 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 Company 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 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 Fund 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 Company 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 Company'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 Company'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 Company 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

Ernst & Young

Rohit Khanna

Rohit Khanna
Partner
Sydney
18 September 2017

Statement of Comprehensive Income
for the period from 1 August 2016 (commencement of operations) to 30 June 2017

	Notes	Period from 1 August 2016 to 30 June 2017 \$ '000
Income		
Interest and other income		348
Dividend and distribution income		453
Net foreign exchange losses		(271)
Change in fair value of financial instruments held at fair value through profit or loss	7	6,508
Total net investment income		7,038
Expenses		
Audit fee expense		24
Broker fees		28
Dividend expense		132
General fee expense		20
Interest expenses		250
Management fees	15	448
Performance fees	15	627
Other operating expenses		70
Total operating expenses		1,599
Operating profit for the period		5,439
Finance costs attributable to unitholders		
Distributions to unitholders		(2,173)
Increase in net assets attributable to unitholders		(3,266)
Profit for the period		-
Other comprehensive income for the period		-
Total comprehensive income for the period		-

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

Statement of Financial Position

As at 30 June 2017

	Notes	30 June 2017 \$ '000
Assets		
Cash and cash equivalents	10	49,841
Dividend receivables		44
Due from brokers - receipts for securities sold		2,882
Other assets	12	94
Term deposit		10,113
Financial assets held at fair value through profit or loss	5	40,311
Total assets		103,285
Liabilities		
Bank Overdrafts	10	28,075
Dividend payable		14
Distribution payable	14	2,173
Due to brokers - payments for securities purchased		1,372
Management and performance fees payable	15	662
Other payable	13	65
Financial liabilities held at fair value through profit or loss	5	2,478
Total liabilities (excluding net assets attributable to unitholders)		34,839
Net assets attributable to unitholders	8	68,446

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

Statement of Changes in Equity
for the period from 1 August 2016 (commencement of operations) to 30 June 2017

	Period from 1 August 2016 to 30 June 2017 \$ '000
Total equity at the beginning of the period	-
Profit for the period	-
Other comprehensive income	-
Total comprehensive income	-
Transactions with owners in their capacity as equity holders	-
Total equity at the end of the financial period	-

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

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

Statement of Cash Flows

for the period 1 August 2016 (commencement of operations) to 30 June 2017

	Notes	Period from 1 August 2016 to 30 June 2017 \$ '000
Cash flows from operating activities		
Receipts from sale of financial instruments held at fair value through profit or loss		135,862
Payments from purchase of financial instruments held at fair value through profit or loss		(168,888)
Payments from Spot FX trades		(445)
Term deposit payments		(10,055)
Dividends received		410
Interest received		245
Interest paid		(220)
Investment management fee paid		(373)
Dividends paid		(119)
Payment of other expenses		(196)
Net cash outflows from operating activities	10	(43,779)
Cash flows from financing activities		
Proceeds from applications by unitholders		66,169
Proceeds paid for redemptions by unitholders		(989)
Net cash inflows from financing activities		65,180
Net decrease in cash and cash equivalents		21,401
Cash and cash equivalents at the beginning of the period		-
Effects of exchange rate changes on the balance of cash held in foreign currencies		365
Cash and cash equivalents at the end of the period	10	21,766

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

Notes to the Financial Statements**for the period from 1 August 2016 (commencement of operations) to 30 June 2017****1. General information**

These financial statements cover Munro Global Growth Fund (“the Fund”) as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 6 June 2016. The Fund commenced operations on 1 August 2016 and is domiciled in Australia.

The Responsible Entity of the Fund is Munro Asset Management Limited (the “Responsible Entity”). The Responsible Entity’s registered office is Level 19, 80 Collins Street, Melbourne Australia 3000.

It is recommended that these financial statements are considered together with the current product disclosure document and in accordance with the provisions of the governing documents of the Fund, and any public announcement made by the Fund during the period from 1 August 2016 to 30 June 2017 in accordance with the continuous disclosure obligations arising under *Corporations Act 2001*.

The principal activity of the Fund is disclosed in the Directors’ Report.

The financial statements were authorized for issue by the directors as at the date the Directors’ declaration was signed. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. Adoption of New and Revised Accounting Standards**a) Standards and Interpretations affecting amounts reported in the current period**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting period and have not been early adopted by the Fund as disclosed in the table below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 <i>Financial Instruments</i> , and the relevant amending standards	1 January 2018	30 June 2019
AASB 2015 <i>Revenue from Contracts with Customers</i>	1 January 2018	30 June 2019
AASB 2016-1 <i>Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017	30 June 2018
AASB 2016-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 January 2017	30 June 2018

The Fund has not yet assessed the potential impact of these standards.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

2. Adoption of New and Revised Accounting Standards (continued)

b) New accounting standards and interpretation

The Fund has adopted all the new and revised Standards and interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to the operations and effective for the financial year:

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle

- The amendments to AASB 7 *Financial Instruments: Disclosures* remove the requirement to provide disclosures relating to offsetting financial assets and financial liabilities in interim financial reports and provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets
- The amendments to AASB 134 *Interim Financial Reporting* make provision for disclosures required by the Standard to be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement that is available to users of the financial statements on the same terms as the interim financial statements and at the same time.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The standard amends AASB 101 to provide clarification regarding disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in the financial statements.

AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception

- The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with AASB 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The application of these amendments has had no effect on the Fund's financial statements.

3. Summary of significant accounting policy

a) Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AAS"), the *Corporations Act 2001*, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board and the Fund's Constitution.

Compliance with Australian Accounting Standards, as issued by the AASB, ensures that the financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Consequently, these financial statements have been prepared in accordance with and comply with IFRS as issued by the IASB.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets and liabilities at fair value through profit and loss and net assets attributable to unitholders. The amount expected to be recovered or settled within 12 months in relation to these balances cannot be reliably determined.

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

3. Summary of significant accounting policy (continued)

a) Basis of preparation (continued)

The financial statements are presented in Australian Dollars and all values are rounded to the nearest \$'000 except where otherwise indicated.

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

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements, as issued by the IASB. These policies have been consistently applied unless otherwise stated in the following text.

b) Going concern basis

The financial report has been prepared on a going concern basis for the period from 1 August 2016 (commencement of operations) to 30 June 2017.

c) Revenue and income recognition

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Changes in fair value of financial assets and liabilities are recognised in profit or loss in the period in which the changes occur.

Distributions

Distributions from investments are recognised in the Statement of Comprehensive Income on an accrual basis.

Dividends

Dividend income is recognised on the ex-dividend date.

Interest income

Interest income is recognised on a time proportionate basis taking into account the effective yield on the financial assets.

d) Expenses

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

e) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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 and which are subject to an insignificant risk of changes in value, and bank overdrafts. Cash at bank held at prime broker includes margin accounts and cash held as collateral against open derivative positions which are restricted. Bank overdrafts are shown in 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 Fund's main income generating activity.

f) Term Deposit

Term deposit is a deposit held at a financial institution that has a fixed term. The Fund has a term deposit in Commonwealth Bank which will mature on 5 October 2017.

Notes to the Financial Statements**for the period from 1 August 2016 (commencement of operations) to 30 June 2017****3. Summary of significant accounting policy (continued)****g) Investments in financial instruments**

Investments in financial instruments are categorised in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. This classification is determined by the purpose underpinning the acquisition of the investment. The classification of each financial instrument is re-evaluated at each period end.

h) Investments in financial instruments (continued)**(i) Classification**

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

- Financial assets and liabilities held for trading
These include derivative financial instruments such as options and equity swaps. These financial instruments are acquired principally for the purpose of generating a profit from short term fluctuation in price. All derivatives are classified as held for trading. Derivative financial instruments entered into by the Fund do not meet the hedge accounting criteria as defined by AASB 139. Consequently, hedge accounting is not applied by the Fund.
- Financial instruments designated at fair value through profit or loss upon initial recognition
These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These are investments in equity securities.

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 instruments 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 has expired or the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement***Financial assets and liabilities held at fair value through profit or loss***

At initial recognition, the Fund measures a financial asset or liability at its fair value. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets and liabilities held by the Fund is the current close price.

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

3. Summary of significant accounting policy (continued)

h) Investments in financial instruments (continued)

(iii) Measurement (continued)

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset in the Statement of Financial Position.

i) Taxation

Under the current tax legislation, the Fund is not subject to income tax provided that the unitholders are presently entitled to the income of the Fund and that the Fund entirely distributes its taxable income.

There is no taxable income of the Fund to which the unitholders are not currently entitled. Additionally, the Fund's Constitution requires the distribution of the full amount of the net taxable income of the Fund to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that the taxable gains are realised by the Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

j) Distributions

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income, adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. Distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

The Fund aims to make distributions annually at 30 June. The Responsible Entity may also suspend, resume, cancel or modify the terms of the distribution reinvestment plan at any time, but Investors will be given notice.

k) Foreign currency transactions

The functional and presentation currency for the Fund is Australian dollars. Transactions in foreign currencies are brought to account at the prevailing exchange rates at the date of the transaction. Foreign currency monetary items are translated at the exchange rate existing on reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The differences arising from these foreign currency translations are recognised in the Statement of Comprehensive Income in the year in which they arise.

Notes to the Financial Statements**for the period from 1 August 2016 (commencement of operations) to 30 June 2017****3. Summary of significant accounting policy (continued)*****l) Payables***

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

As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the Statement of Financial Position as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

m) Receivables

Receivables may include amounts for dividends, interest, and securities sold where settlement has not yet occurred. Dividends are accrued when the right to receive payment is established. Interest is accrued in accordance with the method outlined in note 2 (c). Amounts are generally received within 30 days of being recorded as receivables. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off.

n) 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. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

o) Net assets attributable to unitholders

Units are redeemable at the unitholders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units are classified as financial liabilities as the Fund is required to distribute its distributable income. 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 end of the reporting period if unitholders exercised their right to redeem units in the Fund.

p) Critical accounting judgements and key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis based on historical experience and other factors including expectation of future events that may have a financial impact on the Fund and that are believed to be reasonable under the circumstances but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

q) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the tax authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

r) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the period. Trades are recorded on trade date, and for equities normally settled within three business days.

Notes to the Financial Statements**for the period from 1 August 2016 (commencement of operations) to 30 June 2017****3. Summary of significant accounting policy (continued)****s) Segment information**

The Fund is organised into one main business segment which operates solely in the business of investment management within Australia. While the Fund operates within Australia (the geographical segment), the Fund may have asset exposures in different countries and across different industries.

4. Financial Risk Management

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, currency 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 Product Disclosure Statement. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions. On equities sold short, the maximum loss of capital can be unlimited. The maximum loss of capital on long future, forward currency contracts, CFDs and options is limited to the notional contract values of those positions.

The management of these risks is carried out by the Investment Manager under policies approved by the directors of the responsible entity. The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

a) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Fund.

The Fund is also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's credit position on an ongoing basis.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved; and
- ensuring that transactions are undertaken with a large number of counterparties.

There were no significant concentrations of credit risk to counterparties at 30 June 2017. No individual investment, other than cash and term deposits, exceeded 3.99% of the net assets attributable to unitholders at 30 June 2017.

The following table details the breakdown by credit rating of cash and cash equivalents held by the Fund:

	30 June 2017
	\$ '000
AA-	54
A	21,712
	21,766

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

4. Financial Risk Management (continued)

a) Credit risk (continued)

(i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase orders on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

(ii) Cash and cash equivalents

The exposure to credit risk for 99% of the cash and cash equivalents is low as the counterparties have a rating of A or above.

(iii) Other

The Fund is not materially exposed to credit risk on other financial assets.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due.

b) Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. Market risk is managed and monitored on an ongoing basis by the Investment Manager.

(i) Currency risk

The Fund operates internationally and holds monetary assets denominated in currencies other than the Australian dollar.

Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Fund hedges its foreign currency exposure back to the Australian dollar to minimize the risk of the impact which currency movements can have on the return of the Fund. The Fund actively manages currency exposure to ensure no more than 10% of the Fund may be exposed to foreign currency. Derivatives, including OTC transactions, may be used for hedging purposes or to manage currency exposure of the Fund.

For accounting purposes, the Fund does not designate any derivatives in a hedging accounting relationship, and hence these derivative financial instruments are classified as at fair value through profit or loss.

When the Investment Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Fund, the Investment Manager factors that into its portfolio allocation decisions. While the Fund has direct exposure to foreign exchange rate changes on the price of non - Australian dollar denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Fund invests, even if those companies' securities are denominated in Australian dollars. For that reason, the following sensitivity analysis may not necessarily indicate the total effect on the Fund's net assets attributable to unitholders of future movements in foreign exchange rates.

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

4. Financial Risk Management (continued)

b) Market risk (continued)

(i) Currency risk (continued)

The table below summarises the Fund's exposure to foreign currencies:

	AUD	EUR	HKD	JPY	PLN	GBP	USD	SEK	Total
30 June 2017	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000
Assets									
Cash and cash equivalents	44,689	-	-	-	-	-	5,152	-	49,841
Term Deposit	10,113	-	-	-	-	-	-	-	10,113
Dividends receivable	-	-	-	5	-	19	20	-	44
Interest receivable	33	-	-	-	-	-	4	-	37
Due from brokers - receipts from securities sold	-	89	-	2,104	-	130	559	-	2,882
Other assets	57	-	-	-	-	-	-	-	57
Financial assets held at fair value through profit or loss	-	2,581	1,917	777	708	986	31,410	1,932	40,311
Total assets	54,892	2,670	1,917	2,886	708	1,135	37,145	1,932	103,285
	AUD	EUR	HKD	JPY	PLN	GBP	USD	SEK	Total
30 June 2017	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000	AUD \$ '000
Liabilities									
Bank overdraft	(1,578)	(886)	(1,963)	(2,305)	(561)	(137)	(19,075)	(1,570)	(28,075)
Dividends payable	-	-	-	(1)	-	(2)	(11)	-	(14)
Distribution payable	(2,173)	-	-	-	-	-	-	-	(2,173)
Interest payable	(2)	-	(1)	-	(1)	-	(26)	-	(30)
Due to brokers - payments for securities purchased	-	-	-	(14)	-	-	(1,358)	-	(1,372)
Management and performance fees payable	(662)	-	-	-	-	-	-	-	(662)
Other payables	(35)	-	-	-	-	-	-	-	(35)
Financial liabilities held at fair value through profit or loss	-	(876)	-	-	-	-	(1,602)	-	(2,478)
Total liabilities (excluding net assets attributable to unitholders)	(4,450)	(1,762)	(1,964)	(2,320)	(562)	(139)	(22,072)	(1,570)	(34,839)
Net currency exposure	50,442	908	(47)	566	146	996	15,073	362	68,446

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

4. Financial Risk Management (continued)

b) Market risk (continued)

(i) Currency risk (continued)

The following table demonstrates the sensitivity of the Fund's net profit and net assets to a reasonable change in foreign exchange rates, with all other variables held constant.

	Change in foreign exchange rate increase/(decrease)	Effect on net profit and net assets attributable to unitholders
Period ended 30 June 2017	20%/(20%)	3,600/(3,600)

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Fund's exposure to interest rate risk is set out in the following table:

	Floating interest rate \$ '000	Fixed interest rate \$ '000	Non-interest bearing \$ '000	Total \$ '000
30 June 2017				
Assets				
Cash and cash equivalents	49,841	-	-	49,841
Term Deposit	-	10,113	-	10,113
Dividends receivable	-	-	44	44
Due from brokers - receipts from securities sold	-	-	2,882	2,882
Other assets	-	-	94	94
Financial assets held at fair value through profit or loss	-	-	40,311	40,311
Total assets	49,841	10,113	43,331	103,285
Liabilities				
Bank overdraft	28,075	-	-	28,075
Dividends payable	-	-	14	14
Distribution payable	-	-	2,173	2,173
Due to brokers - payments for securities purchased	-	-	1,372	1,372
Management and performance fees payable	-	-	662	662
Other payables	-	-	65	65
Financial liabilities held at fair value through profit or loss	-	-	2,478	2,478
Total liabilities excluding net assets attributable to unitholders	28,075	-	6,764	34,839
Net exposure	21,766	10,113	36,567	68,446

Notes to the Financial Statements**for the period from 1 August 2016 (commencement of operations) to 30 June 2017****4. Financial Risk Management (continued)****b) Market risk (continued)****(ii) Interest rate risk (continued)**

The following table demonstrates the sensitivity of the Fund's net assets attributable to unitholders and operating profit to a reasonable change in interest rates, with all other variables constant. The 25 basis point sensitivity is based on a reasonable volatility of change in the AUD cash interest rate over the coming year. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Change in basis points increase/(decrease)	Effect on operating profit and net assets attributable to unitholders
30 June 2017		
AUD interest rate	25bp/(25bp)	54/(54)

(iii) Price risk

The Fund is exposed to equity securities and derivative price risk.

Price risk is the risk that the fair value of investments decreases as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Price risk is managed by monitoring compliance with established investment mandate limits. All securities 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's Investment Manager's internal policy limits exposure to individual securities and diversifies Fund holdings across industry sectors and across countries. The Fund had no concentrations in individual equity positions exceeding 3.99% of the net assets attributable to unitholders at 30 June 2017.

The Fund's investments are publicly traded. As at 30 June 2017, a positive 10% movement in the value of the Fund's portfolio would have had an impact on the Fund's operating profit and net assets attributable to unitholders of \$4,278,927. A negative sensitivity would have an equal but opposite impact.

c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments.

In order to control the liquidity risk associated with its investments, the Fund conducts its investing activities in accordance with agreed guidelines and leverage ratios to ensure a minimal concentration of risk.

The Fund is exposed to daily cash redemptions of its units. Its policy is therefore to hold investments that are traded in an active market and can be readily disposed.

The Fund's listed securities are considered readily realisable, as they are listed on the Stock Exchange.

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

4. Financial Risk Management (continued)

c) Liquidity risk (continued)

In order to manage the Fund's overall liquidity, the Responsible Entity has the ability to change the frequency of the withdrawals or delay satisfying a withdrawal request when it is not considered in the best interest of unitholders, and if so, will notify unitholders of such a change. There was no delay in withdrawal request or change of withdrawal frequency for the period ended 30 June 2017.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period from 30 June 2017 to the contractual maturity date. Units are redeemed on demand at the unitholder's option. However, the directors do not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

	30 June 2017						Total \$ '000
	On demand \$ '000	< 1 month \$ '000	1-3 months \$ '000	3-6 months \$ '000	6-12 months \$ '000	> 12 months \$ '000	
Liabilities							
Bank overdraft	28,075	-	-	-	-	-	28,075
Dividend payable	14	-	-	-	-	-	14
Distribution payable	-	2,173	-	-	-	-	2,173
Due to brokers - payments for securities purchased	-	1,372	-	-	-	-	1,372
Management and performance fees payable	-	662	-	-	-	-	662
Other payables	-	65	-	-	-	-	65
Financial liabilities held at fair value through profit or loss	-	2,478	-	-	-	-	2,478
Net assets attributable to unitholders	68,446	-	-	-	-	-	68,446
Total liabilities	96,535	6,750	-	-	-	-	103,285

The amounts in the table are the contractual undiscounted cash flows. Balances equal their carrying balances, as the impact of discounting is not significant.

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

5. Investments in Financial Instruments

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

	30 June 2017 \$ '000
Financial assets held for trading	
Investments in derivatives	1,395
Total financial assets held for trading	1,395
Financial assets designated at fair value through profit or loss	
Investments in listed equities	38,916
Total equity securities	38,916
Total financial assets held at fair value through profit or loss	40,311

Comprising:

Investments in derivatives	
International exchange traded options	91
International exchange traded CFD	1,304
Total investments in derivatives	1,395
Investments in listed equities	
International equity securities	38,916
Total investments in listed equities	38,916
Total financial assets held at fair value through profit or loss	40,311

b) Financial liabilities held at fair value through profit or loss

	30 June 2017 \$ '000
Financial liabilities held at fair value through profit or loss	
Investments in listed equities	2,478
Total equity securities	2,478
Total financial liabilities held at fair value through profit or loss	2,478

Comprising:

Investments in listed equities	
International equity securities	2,478
Total investments in listed equities	2,478
Total financial liabilities held at fair value through profit or loss	2,478

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in note 4 to the financial statements period ended 30 June 2017.

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

5. Investments in Financial Instruments (continued)

c) Fair Value Hierarchy

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis. The Fund has no assets and liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Level 1

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass 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. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

Level 3

Financial instruments that have been valued, in whole or in part, by 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 valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

Notes to the Financial Statements**for the period from 1 August 2016 (commencement of operations) to 30 June 2017****5. Investments in Financial Instruments (continued)****c) Fair Value Hierarchy (continued)**

The following table shows an analysis of financial instruments held at 30 June 2017 recorded at fair value and presented by level of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	\$ '000	\$ '000	\$ '000	\$ '000
As at 30 June 2017				
Financial assets held at fair value through profit or loss				
Financial assets held for trading:				
Investments in exchange contract for differences	-	1,304	-	1,304
Investments in exchange traded options	91	-	-	91
Financial assets designated at fair value through profit and loss:				
Investments in exchange traded equity	38,916	-	-	38,916
Total financial assets held at fair value through profit or loss	39,007	1,304	-	40,311
Financial liabilities held at fair value through profit or loss				
Financial liabilities designated at fair value through profit and loss:				
Investments in exchange traded equity	2,478	-	-	2,478
Total financial liabilities held at fair value through profit or loss	2,478	-	-	2,478

Valuation techniques**Fair value in an active market (level 1)**

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets and liabilities are priced at last traded prices. For the majority of its investments, the Fund relies on prices readily available from an exchange through Reuters for the valuation of its investments.

Fair value in an inactive or unquoted market (level 2 and level 3)

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. For investments in level 2, the Fund relies on underlying equity prices of readily available from an exchange through Reuters for the valuation of its investments.

Transfer 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 reporting period.

d) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

6. Derivative Financial Instruments

In the normal course of business, the Fund enters into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

The Fund holds derivative instruments such as options and swaps.

The Fund's derivative financial instruments at year end are detailed below:

	Notional Value \$ '000	Assets \$ '000	Liabilities \$ '000
30 June 2017			
Exchange traded derivatives			
International exchange traded options	5,138	91	-
International exchange traded CFDs	6,812	1,304	-

The following table sets forth the fair value of the Fund's derivative contracts by counterparty on a gross basis and any amount eligible for offset by the netting agreements at 30 June 2017 where the Fund has elected not to offset. Additionally, presented on the following table is collateral received or pledged but not offset in the statement of financial position by counterparty.

	Gross amounts of recognised assets/ (liabilities) \$'000	Gross amounts offset in the statement of financial position \$'000	Net amounts of assets/ (liabilities) presented in the statement of financial position \$'000	Gross amounts not offset in the statement of financial position			
				Financial instruments \$'000	Cash collateral pledged \$'000	Net amount \$'000	Over collateralised \$'000
30 June 2017							
Derivative financial assets							
Morgan Stanley	1,395	0	1,395	0	2,523	0	3,918
Total derivative financial assets	1,395	0	1,395	0	2,523	0	3,918

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

7. Net Gains/(Losses) on Financial Instruments Held at Fair Value through Profit or Loss

	Period from 1 August 2016 30 June 2017 \$ '000
Net changes in fair value on financial assets through profit or loss	
Held for trading	4,937
Designated at fair value through profit or loss	1,571
Total net changes in fair value on financial assets through profit or loss	6,508

8. Net assets attributable to unitholders

There are two separate classes of units and each unit within the same class has the same rights as all other units within that class. The Founder Class of units is charged management fees at a rate of 1% exclusive of GST, and the Ordinary Class of units is charged 1.25% management fee, exclusive of GST. Movements in the number of units and net assets attributable to unitholders during the period were as follows:

	Period ended 30 June 2017	
	Number of units	\$ '000
Founders Class units		
Opening balance	-	-
Applications	25,554	25,942
Redemptions	(159)	(167)
Units issued upon reinvestment of distributions	-	-
Increase in net assets attributable to unitholders		2,100
Closing balance	25,395	27,875
Ordinary units		
Opening balance	-	-
Applications	37,816	40,227
Redemptions	(798)	(822)
Units issued upon reinvestment of distributions	-	-
Increase in net assets attributable to unitholders		1,166
Closing balance	37,018	40,571
Total	62,413	68,446

Each unit confers upon the unitholder an equal interest in the Fund. A unit does not confer any interest in any particular asset or investment of Fund.

9. Capital Risk Management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. As a result of the ability to issue, repurchase and resell units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of redeemable units. The Fund's objectives for managing capital are:

- to invest the capital in investments meeting the description, risk exposure and expected return indicated in the Fund's Constitution;
- to maintain sufficient liquidity to meet the ongoing expenses of the Fund; and
- to maintain sufficient size to make the operation of the Fund cost-efficient.

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

10. Cash and cash equivalents

a) Cash and cash equivalents balances

Cash and cash equivalents include cash at banks, net of outstanding overdrafts. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	As at 30 June 2017 \$ '000
Cash at Commonwealth Bank	54
Cash at bank held at Prime Broker	49,787
Total cash and cash equivalents	49,841
Bank overdrafts held at Prime Broker	28,075
Total bank overdrafts	28,075

Interest is charged daily on the bank overdrafts and paid out monthly. Cash at bank held at Prime Broker includes margin accounts and cash held as collateral which are restricted.

b) Reconciliation of profit/(loss) for the year to net cash flows used in operating activities:

	Period ended 30 June 2017 \$ '000
Profit/(loss) for the period	
Increase/(decrease) in net assets attributable to unitholders:	5,439
Change in value of financial assets held at fair value through profit or loss	(6,237)
Net payments from purchase and sale of financial instruments held at fair value through profit or loss	(43,526)
Change in assets and liabilities:	
Accrued interest on term deposits	(58)
Decrease/(increase) in receivables and other assets	(138)
Increase/(decrease) in payables and other payables	741
Net cash used in operating activities	(43,779)

11. Auditor's Remuneration

The auditor of the Fund is Ernst and Young. Auditor's remuneration for the year ended 30 June 2017 was paid by the Responsible Entity. The total audit fee incurred during the year is \$23,698. Tax review and compliance audit fee of the 30 June 2017 reports is \$16,500.

12. Other assets

	As at 30 June 2017 \$ '000
GST receivable	57
Interest receivable	37
Total other assets	94

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

13. Other payables

	As at 30 June 2017 \$ '000
Professional fee payable	21
ASIC fee payable	1
Interest payable	30
Withholding tax payable	6
General Fund Expenses Payable	7
Total other payables	65

14. Distributions to unitholders

The Fund expects to make distributions on an annual basis. Distributions are expected but not guaranteed. Subject to the Constitution, distributions (if any) will generally be paid within 30 to 60 business days from 30 June.

At 30 June 2017, the Fund made \$2,172,914 distribution to unitholders.

15. Related party transactions

The Responsible Entity of the Munro Global Growth Fund is Munro Asset Management Limited.

a) Management and performance fees paid and payable to the investment manager

Management fees are the fees charged by the investment manager to provide investment management services to the Fund.

The investment manager charges 1.25% for Ordinary units and 1.00% for Founder Class units per annum of the net asset value of the Fund, before deduction of any accrued Performance Fees, calculated and accrued monthly. During the year, the management fees incurred by the Fund is \$447,610. At reporting date, there is an amount of \$75,204 outstanding.

Performance fees are fees payable to the investment manager when the Fund's return exceeds the hurdle rate and high watermark.

The investment manager charges 10.00% of the amount by which the Fund's returns exceed the higher of the hurdle rate and high watermark. During the year, the performance fees incurred by the Fund is \$627,006. At reporting date, there is an amount of \$587,090 outstanding.

The total management and performance fee outstanding as of 30 June 2017 is \$662,294.

b) Key management personnel**(i) Directors**

The key management personnel of the Responsible Entity, during the period and up to the date of this report are:

Name	Title
Peter Griffin	Director
Nicholas Griffin	Director
Jonathan Spensley	Director
Ronald Calvert	Director and Company Secretary
Peter Nichols	Director (appointed 31 May 2017)

Notes to the Financial Statements

for the period from 1 August 2016 (commencement of operations) to 30 June 2017

15. Related party transactions (continued)

(ii) Key management personnel unitholdings

30 June 2017

Unitholder	Number of Units held opening	Number of Units held closing	Fair value of investment (\$)	% Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund (\$)
Ronald Calvert	-	119,102	130,535	0.19%	119,102	-	4,144
Jonathan Spensley	-	175,000	191,800	0.28%	175,000	-	6,089
Peter Griffin	-	7,000,000	7,683,900	11.22%	7,000,000	-	243,938
Nicholas Griffin	-	5,182,447	5,679,962	8.30%	5,182,447	-	180,314
Total	-	12,476,549	13,686,198	19.99%	12,476,549	-	434,485

Except as disclosed above, no key management personnel have entered into any other transactions with the Fund during the period and there were no material balances involving key management personnel's interests outstanding at the end of the period.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the period.

(iii) Key management compensation

Key management personnel of the Responsible Entity have not been compensated out of the Fund for the period ended 30 June 2017.

(iv) Other key management compensation

Other key management personnel of the Investment Manager have not been compensated out of the Fund for the period ended 30 June 2017.

16. Commitments and contingencies

There are no commitments or contingencies as at 30 June 2017.

17. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the period that has 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 financial years.