

Lakehouse Global Growth Fund

ARSN 621 899 367

Interim report for the period from 6 October 2017 to 31 December 2017

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Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the responsible entity of Lakehouse Global Growth Fund (ARSN 621 899 367) (the "Fund"), submit their report together with the condensed financial statements for the Fund for the period from 6 October 2017 to 31 December 2017.

Responsible Entity

The responsible entity of the Fund is OMIFL.

The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

Investment Manager

The investment manager of the Fund is Lakehouse Capital Pty Ltd (ACN 614 957 603) (the "Investment Manager").

The principal place of business of the Investment Manager is Level 14, 5 Martin Place, Sydney NSW 2000.

Directors and Senior Management

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

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director
Sarah Wiesener	Company Secretary

Reporting Period

The Responsible Entity has been granted relief by ASIC to adopt a shorter first half-year period for the Fund. As a result OMIFL as responsible entity of the Fund does not have to comply with subsection 323D(5) of the Corporations Act 2001 in respect of the first half-year of the Fund. However OMIFL must comply with Parts 2M.2, 2M.3 and 2M.4 of the Corporations Act 2001 in respect of the first half-year of the Fund as if the half-year is the period from 6 October 2017 to 31 December 2017 (inclusive).

Principal Activities

The Fund is a registered managed investment scheme, domiciled in Australia. The Fund was constituted on 25 September 2017, registered as a managed investment scheme on 6 October 2017 and commenced operations on 30 November 2017.

The principal activity of the Fund during the period was to invest in accordance with the provisions of the Fund's Constitution and its most recent Product Disclosure Statement, dated 11 December 2017.

The Fund's investment objective is to provide long term capital growth and outperform the MSCI All Country World Index ("MSCI") net total returns in Australian dollars over rolling five year periods (after fees and expenses but before taxes) by investing in a diversified global portfolio of mid and large capitalisation stocks.

The Fund did not have any employees during the period.

Review of Operations

This is the first financial report and as a result there are no comparatives.

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of these condensed financial statements. The net loss attributable to unitholders for the period ended 31 December 2017 was \$1,734,599.

Distributions

There was no distribution for the period ended 31 December 2017.

Value of Assets and Units Issued

The following units of the Fund were on issue as at 31 December 2017:

	As at 31 December 2017	
	No. of Units	Fair value (\$)
Total	67,365,909	65,613,657

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the period and as at 31 December 2017.

Significant Changes in State of Affairs

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 periods.

Likely Developments and Expected Results of Operations

The Fund will be managed in accordance with the Constitution and investment objectives as detailed in its most recent Product Disclosure Statement, dated 11 December 2017, and any public announcements made in respect of the Fund during the interim reporting period.

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 financial 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.

Auditor

Crowe Horwarth Sydney was appointed as auditor of the Fund and continues in that office in accordance with Section 327 of the *Corporations Act 2001*.

Directors' Report (continued)

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.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle
Director
12 March 2018

12 March 2018

The Directors
One Managed Investment Funds Limited
As the Responsible Entity of Lakehouse Global Growth Fund
Level 11
20 Hunter Street
SYDNEY NSW 2000

Dear Directors

Lakehouse Global Growth Fund

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of One Managed Investment Funds Limited.

As lead audit partner for the review of the interim financial report of Lakehouse Global Growth Fund for the period 6 October 2017 to 31 December 2017, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review;
and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



Crowe Horwath Sydney



John Haydon
Senior Partner

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) The interim financial statements and notes set out on pages 8 to 20 are in accordance with the *Corporations Act 2001*, including:
- compliance with 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 31 December 2017 and its performance for the financial 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, One Managed Investment Funds Limited.



Frank Tearle
Director
12 March 2018

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

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Lakehouse Global Growth Fund (the "Fund"), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income for the period 6 October 2017 to 31 December 2017, the statement of changes in equity and the statement of cash flows for the period ended on that date, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

Directors' Responsibility for the Interim Financial Report

The directors of the Responsible Entity are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2017 and its performance for the period 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 an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Lakehouse Global Growth Fund is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Fund's financial position as at 31 December 2017 and of its performance for the period ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Crowe Horwath Sydney**

John Haydon
Senior Partner

Dated this 12th day of March 2018

Statement of Profit or Loss and Other Comprehensive Income for the period from 6 October 2017 to 31 December 2017

	Note	Period from 6 October 2017 to 31 December 2017 \$
Income		
Net losses on financial instruments held at fair value through profit or loss	5	(52,408)
Interest income		14,137
Foreign exchange losses		(1,624,321)
Total loss		(1,662,592)
Expenses		
Management fees		71,947
Other expenses		60
Total expenses		72,007
Operating loss attributable to unitholders		(1,734,599)
Finance costs attributable to unitholders		
Distributions to unitholders		-
Decrease in net assets attributable to unitholders	6	1,734,599
Profit/(loss) for the period		-
Other comprehensive income		-
Total comprehensive income for the period		-

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 31 December 2017

	Note	As at 31 December 2017 \$
Assets		
Cash and cash equivalents		61,807,056
Other assets		5,264
Financial assets held at fair value through profit or loss	4	3,878,548
Total assets		65,690,868
Liabilities		
Management fees payable		77,211
Total liabilities (excluding net assets attributable to unitholders)		77,211
Net assets attributable to unitholders - liability	6	65,613,657

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

Statement of Changes in Equity for the period from 6 October 2017 to 31 December 2017

	Period from 6 October 2017 to 31 December 2017 \$
Total equity at the beginning of the period	
Profit /(loss) 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 unitholders are classified as liability rather than equity. As a result, there was no equity at the start or end of the financial period.

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

Statement of Cash Flows for the period from 6 October 2017 to 31 December 2017

	Note	Period from 6 October 2017 to 31 December 2017 \$
Cash flows from operating activities		
Net payments from purchase and sale of financial instruments held at fair value through profit or loss		(3,930,956)
Interest received		14,137
Other payments		(60)
Net cash used in operating activities		(3,916,879)
Cash flows from financing activities		
Proceeds from unitholder applications	6	67,348,256
Net cash provided by financing activities		67,348,256
Net increase in cash and cash equivalents		63,431,377
Effects of exchange rate changes on the balance of cash held in foreign currencies		(1,624,321)
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		61,807,056
Non-cash financing activities		-

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

Notes to the Financial Statements

1. General Information

These interim condensed financial statements cover Lakehouse Global Growth Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme, and was constituted on 25 September 2017, registered as a managed investment scheme on 6 October 2017 and commenced operations on 30 November 2017.

The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) (the "Responsible Entity"). The Responsible Entity's registered office is Level 11, 20 Hunter Street Sydney NSW 2000.

The Fund typically invests in a high conviction portfolio of 20 to 40 companies with expected long-term growth with a focus on mid and large capitalisation companies listed in developed markets.

The interim financial statements were authorised for issue by the directors on the date the Directors' Declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

2. Adoption of New and Revised Accounting Standards

Standards and Interpretations in issue but not yet adopted

At the date of authorisation of the condensed financial statements, the Standards and Interpretations listed below were in issue but not yet effective, and are available for early adoption.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 "Financial Instruments"	1 January 2018	30 June 2019
AASB 15 "Revenue from Contracts with Customers"	1 January 2018	30 June 2019

The above new standards are not expected to have a major impact on the Fund.

3. Summary of Significant Accounting Policies

a) Statement of Compliance

These interim financial statements have been prepared in accordance with AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International financial reporting standard IAS 34 "Interim Financial Reporting".

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) Basis of preparation

This general purpose financial report has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. The Fund is a for-profit entity for the purpose of preparing the financial statements.

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 investments in financial assets and net assets attributable to unitholders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months. However, an estimate of that amount cannot be determined as at balance sheet date.

Notes to the Financial Statements

3. Summary of Significant Accounting Policies (continued)

b) Basis of preparation (continued)

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

All amounts are presented in Australian dollars as the functional and presentational currency of the Fund.

c) Going concern basis

The financial report has been prepared on a going concern basis.

d) 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 year in which the changes occur.

Distributions

Distributions from investments are recognised when the right to receive the payment is established.

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.

e) Expenses

All expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and cash balances held with brokers.

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 financial year end.

(i) Classification

The Fund's investments are categorised 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 and financial liabilities that are not held for trading purposes and which may be sold. These are investments in equity securities.

Notes to the Financial Statements

3. Summary of Significant Accounting Policies (continued)

g) Investments in financial instruments (continued)

(i) Classification (continued)

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 Profit or Loss and Other 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 Profit or Loss and Other 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.

h) 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.

Notes to the Financial Statements**3. Summary of Significant Accounting Policies (continued)*****i) Distributions***

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

The Fund aims to make distributions on an annual basis. Per the Constitution distributions (if any) will be paid within 3 months of 30 June. The Responsible Entity may make additional distributions at its discretion. There may be periods when the Fund does not make a distribution.

j) 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 Profit or Loss and Other Comprehensive Income in the period in which they arise.

k) 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 balance sheet as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

l) 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 3 (d). 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 by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is minimal.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

m) Applications and redemptions

Applications received for units in the Fund are recorded 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.

Notes to the Financial Statements

3. Summary of Significant Accounting Policies (continued)**n) 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.

o) Critical accounting judgements and key sources of estimation uncertainty

Management has adhered to the Fund's unit pricing policy which sets out the basis upon which the units of the Fund have been valued, a copy of which is available upon request.

For all of the Fund's financial instruments, quoted market prices are readily available. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the responsible entity, independent of the area that created them.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the determination of the value of investments are outlined in note 4 of these financial statements.

p) 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.

4. Investments in Financial Instruments**a) Financial assets held at fair value through profit or loss**

	31 December 2017
	\$
Designated at fair value through profit or loss	
Investments in listed equities	3,878,548
Total equity securities	3,878,548
Total financial assets held at fair value through profit or loss	3,878,548

Notes to the Financial Statements

4. Investments in Financial Instruments (continued)

b) 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 7 “Financial Instrument Disclosures” 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.

The following table shows an analysis of financial instruments held at 31 December 2017 recorded at fair value and presented by level of the fair value hierarchy:

	31 December 2017			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets				
Investments in equity securities	3,878,548	-	-	3,878,548
Total financial assets held at fair value through profit or loss	3,878,548	-	-	3,878,548

Transfer between levels

There have been no transfers between levels for the period ended 31 December 2017.

Notes to the Financial Statements

5. Net Losses on Financial Instruments Held at Fair Value through Profit or Loss

	Period from 6 October 2017 to 31 December 2017 \$
Unrealised losses on financial instruments designated at fair value through profit or loss	(52,408)
Net losses on financial Instruments designated at fair value through profit or loss	(52,408)

6. Net Assets Attributable to Unitholders

Movements in the number of units and net assets attributable to unitholders during the period were as follows:

	Period from 6 October 2017 to 31 December 2017	
	No. of Units	\$
Opening balance	-	-
Applications for units by unitholders	67,365,909	67,348,256
Decrease in net assets attributable to unitholders	-	(1,734,599)
Closing balance	67,365,909	65,613,657

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

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

7. Distributions to Unitholders

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

There was no distribution for the period ended 31 December 2017.

8. Related Party Transactions

The responsible entity of the Fund is OMIFL.

a) Management 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 1.3% per annum (inclusive of GST and less any reduced input tax credits) of the gross value of the Fund’s assets. As at 31 December 2017, the management fees expenses incurred by the Fund was \$71,947.

b) Performance fees paid and payable to the Investment Manager

Performance fees are fees payable to the Investment Manager when the Fund’s return exceeds the benchmark and high watermark.

Notes to the Financial Statements

8. Related Party Transactions (continued)

b) Performance fees paid and payable to the investment manager (continued)

The performance fee amount is calculated as 15% of the lower of:

- (a) The amount by which the percentage change in the net asset value per unit in the Fund over the performance period (plus any distributions paid during the performance period) exceeds the percentage change in the benchmark over the performance period, multiplied by the net asset value per unit; and
- (b) The amount by which the net asset value per unit (plus any distributions paid during the performance period) as at the last valuation time of the relevant performance period exceeds the high watermark,

multiplied by the number of units on issue as at the last valuation time of the relevant performance period.

As at 31 December 2017, the performance fee incurred by the Fund was \$nil.

(i) Other fees paid to related parties

The Responsible Entity has appointed third party service providers to the Fund, some of whom are related parties of the Responsible Entity. The following entities, which are related parties of the Responsible Entity, have provided services to the Fund during the period ended 31 December 2017:

- One Registry Services Pty Limited (ACN 141 757 360) – unit registry services

OMIFL also acts as custodian for the Fund and receives a fee for doing so.

None of the above have received any remuneration directly from the Fund in relation to these services and are remunerated out of the management fee payable to the Investment Manager. To the extent there is a short fall to these expenses, they will be paid by the Investment Manager.

c) 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
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director
Sarah Wiesener	Company Secretary

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the period ended at 31 December 2017.

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

Key Management Compensation

Key management personnel of the Responsible Entity have not been compensated out of the Fund for the period ended 31 December 2017.

Notes to the Financial Statements

8. Related Party Transactions (continued)

c) Key management personnel (continued)

(ii) Other Key Management Personnel

The key management personnel of the Investment Manager during the period and up to the date of this report are:

Name	Title
Joe Magyer	Chief Investment Officer
Randal Coon	Non-executive Director
Lawrence Greenberg	Non-executive Director
Ollen Douglass	Non-executive Director
Bruce Jackson	Non-executive Director

(iii) Other Key Management Personnel Unitholdings

Period from 6 October to 31 December 2017

Unitholder	Number of Units held opening	Number of units acquired	Number of units disposed	Number of Units held closing	Fair value of investment (\$)	% Interest held	Distributions paid/payable by the Fund
Bruce Jackson ¹	600,000	-	-	600,000	584,393	0.89%	-
Total	600,000	-	-	600,000	584,393	0.89%	-

¹. or related parties or entities

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.

Other Key Management Compensation

Key management personnel of the Investment Manager have not been compensated out of the Fund for the period ended 31 December 2017.

9. Commitments and Contingencies

There are no commitments or contingencies as at 31 December 2017.

10. 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.