

Global Masters Fund

ABN 84 109 047 618

Annual report for the financial year ended 30 June 2015

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Directors' Report

The directors of EFG Capital Management Limited (ABN 35 624 903 081) ("EFGCML" or the "Trustee"), the trustee of Global Masters Fund ("GMF" or the "Fund"), submit herewith the annual report of the Fund for the financial year ended 30 June 2015.

Information about the Directors and Senior Management

The names of the directors of the Trustee in office during or since the end of the financial year are:

Name	Residency
Frank Tearle	Australia
Justin Epstein	Australia
Timothy Munro-Keene	New Zealand (resigned 28 April 2016)
Bin Lu	New Zealand
Wendy Chu	New Zealand (appointed 28 April 2016)

The directors are not remunerated by the Fund or the Trustee.

Principal Activities

The Fund is an Australian unit trust, listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") as a non-trading trust.

The investment manager of the Fund during the year was One Investment Management Pty Ltd ("OIMPL" or the "Manager"), a company incorporated in Australia and a wholly owned subsidiary of One Investment Group Pty Ltd ("OIG").

On 31 May 2012, EFGCML in its capacity as the trustee of the Fund, entered into a sub-participation agreement ("SPA") with One Managed Investment Funds Limited in its capacity as the trustee of the Everest Absolute Return Fund ("EARF"). In consideration of EFGCML contributing the Fund assets to, and agreeing to assume the risks in connection with the Fund assets under EARF's BNP option, One Managed Investment Funds Limited has agreed to pay EFGCML all proceeds it receives in respect of the Fund assets under EARF's BNP option in accordance with the terms of the SPA.

The Fund is exposed to the same investments (i.e. exposure to a notional portfolio of some of the leading international absolute return funds through call options) as it was prior to 31 May 2012; the only difference is that it has entered into the SPA.

As a result of the decision to undertake an orderly realisation of assets, this financial report has not been prepared on a going concern basis, but instead on a non-going concern basis. As the only significant assets of the Fund are its cash balances and investments in the SPA, the net realisable value of the Fund's assets is equivalent to their fair value. Due to the inherent uncertainty of valuation, the value of the investments held by the Fund may differ significantly from the values that would have been used, had a ready market for the investments existed, and these differences could be material to the value of the Fund.

The Fund did not have any employees during the year.

Review of Operations**Results**

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of these financial statements. The net loss attributable to unitholders for the year ended 30 June 2015 was US\$169,750 (2014 loss: \$234,860).

Directors' Report (continued)

Distributions

No distributions were made during or since the end of financial year ended 30 June 2015 (2014: US\$ nil).

Returns of capital

In light of the Fund's inability to liquidate sufficient assets to meet redemption requests, the Trustee determined that it would be in the best interests of all unitholders to refuse redemption requests from 31 March 2009 and suspend redemption requests until further notice. As at the date of this report, investor redemptions in the Fund continue to be suspended until further notice.

The Trustee has sought to create liquidity by lodging redemption requests with the underlying investment managers. However, due to several underlying investment managers restricting and/or delaying the payment of redemption proceeds, the Fund's receipt of those monies has been delayed. As a result, the Trustee expects there will be further delays in the payment of the balance of redemption proceeds from the underlying funds.

Following the repayment of the Leverage Facility during 2010, the Fund commenced the process of returning capital to unitholders, as permitted by liquidity.

The Fund made \$nil returns of capital made during the year (2014: US\$1,120,903; US\$0.064 per unit).

To date the Fund has returned US\$0.418 per unit (US\$7,320,903) since May 2009.

Units on Issue

The following units of the Fund were on issue at year end:

	30 June 2015 Units on issue	30 June 2014 Units on issue
Class A	17,514,105	17,514,105

Fund Assets

The total value of the Fund's assets at 30 June 2015 is US\$722,006 (2014: US\$893,357). The basis for valuation of the assets is disclosed in note 3 to the financial statements.

Fees Paid and Payable to the Trustee and Associates

The following fees were paid or payable to the Trustee and its associates out of the Fund's property during the period ended 30 June 2015:

- Management fees for the year ended 30 June 2015 were US\$11,910 (2014: US\$14,350) of which \$2,964 (2014: US\$3,723) was payable at year end.
- No performance fees were paid or payable for the year ended 30 June 2015 (2014: \$ nil).

Changes in State of Affairs

During the financial year there were no other significant changes in the state of affairs of the Fund.

Directors' Report (continued)

Subsequent Events

There has not been any other matter or circumstances occurring subsequent to the end of the year 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.

Future Developments

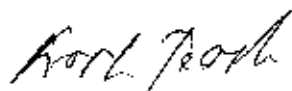
At this time, the directors are not aware of any developments likely to have a significant effect upon the operations or results of the Fund in the subsequent financial years which have not been dealt with in this report or in the financial report.

Indemnification of Directors, Officers and Auditors

During the financial year, the Trustee paid a premium in respect of a contract insuring the directors of EFG Capital Management Limited against a liability incurred as a director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Trustee has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Trustee or of any related body corporate against a liability as such an officer or auditor.

On behalf of the directors of the Trustee, EFG Capital Management Limited.



Frank Tearle

Director

2 December 2016

Independent Auditor's Report to the Unitholders of Global Masters Fund

We have audited the accompanying financial report of Global Masters Fund, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of cash flows and the statement of changes in net assets attributable to unitholders for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration as set out on pages 6 to 25.

The Trustee's Responsibility for the Financial Report

The directors of the Trustee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards as they apply a non-going concern basis as disclosed in Note 3(c) of the Financial Report and the Trust Deed, and for such internal control as the Trustee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 3, the Trustee also states, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee, as well as evaluating the overall presentation of the financial report.

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



Opinion

In our opinion:

- (a) the financial report of the Global Masters Fund presents fairly, in all material respects, the fund's financial position as at 30 June 2015 and its financial performance for the year then ended in accordance with Australian Accounting Standards and the Trust Deed; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.

Significant Uncertainty in Relation to the Fair Value of Investments

Without qualifying our opinion, we draw attention to the following matter. As disclosed in Note 10 to the financial report, the assets of the fund include an Investment Portfolio held through a sub-participation agreement. These assets which total US\$387,595 for the fund as at 30 June 2015 are recorded at net realisable value. As disclosed in Note 3(c) there is significant uncertainty regarding the net realisable value of the assets, which in turn gives rise to significant uncertainty as to whether the fund will be able to realise its assets at the amount stated in the financial report.

DELOITTE TOUCHE TOHMATSU

Declan O'Callaghan
Partner
Chartered Accountants
Sydney, 2 December 2016

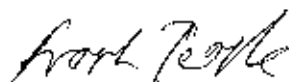
Directors' Declaration

The directors of the Trustee declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements are in compliance with Australian Accounting Standards, as they apply to a fund that is no longer a going concern (including the Australian Accounting Interpretations); and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with International Financial Reporting Standards ("IFRS") as disclosed in note 3, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Trustee.

On behalf of the directors of the Trustee, EFG Capital Management Limited.



Frank Tearle

Director

2 December 2016

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015

	Note	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Income			
Change in value of financial assets designated at fair value through profit or loss	4	(50,304)	(100,353)
Interest income		23	-
Total loss		<u>(50,281)</u>	<u>(100,353)</u>
Expenses			
Trustee fees	12(a)	11,910	14,350
Other expenses	5	107,559	120,157
Total expenses		<u>119,469</u>	<u>134,507</u>
Net loss attributable to unitholders before finance costs		(169,750)	(234,860)
Finance costs			
Distributions to unitholders		-	-
Net loss attributable to unitholders after finance costs		(169,750)	(234,860)
Net loss for the year		(169,750)	(234,860)
Other comprehensive income		-	-
Total comprehensive loss		<u>(169,750)</u>	<u>(234,860)</u>
		30 June 2015 Cents	30 June 2014 Cents
Basic and diluted earnings per unit	6	<u>(0.97)</u>	<u>(1.34)</u>

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Financial Position as at 30 June 2015

	Note	30 June 2015 US\$	30 June 2014 US\$
Assets			
Cash and cash equivalents	13 (a)	326,962	372,213
Other assets		7,449	7,574
Financial assets at fair value through profit or loss	10	387,595	513,570
Total assets		722,006	893,357
Liabilities			
Payables	11	53,125	54,726
Total liabilities (excluding net assets attributable to unitholders)		53,125	54,726
Net assets attributable to unitholders		668,881	838,631

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Changes in Net Assets Attributable to Unitholders for the year ended 30 June 2015

	Note	Net assets attributable to unitholders of the Fund US\$
Balance as at 1 July 2014		838,631
Total comprehensive loss		(169,750)
Balance as at 30 June 2015	7	668,881
Balance as at 1 July 2013		2,194,394
Returns of capital		(1,120,903)
Total comprehensive loss		(234,860)
Balance as at 30 June 2014	7	838,631

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Cash Flows for the year ended 30 June 2015

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Note		
Cash flows from operating activities		
Management, administration and audit fees paid	(59,495)	(60,968)
Interest income	23	-
Other payments	(19,045)	(22,052)
Net cash used in operating activities	13 (b) <u>(78,517)</u>	<u>(83,020)</u>
Cash flows from investing activities		
Net proceeds from sales after deducting portfolio related expenses	<u>33,266</u>	<u>127,344</u>
Net cash provided by investing activities	<u>33,266</u>	<u>127,344</u>
Cash flows from financing activities		
Returns of capital	-	(1,120,903)
Net cash used in financing activities	-	(1,120,903)
Net decrease in cash and cash equivalents	(45,251)	(1,076,579)
Cash and cash equivalents at the beginning of the year	<u>372,213</u>	<u>1,448,792</u>
Cash and cash equivalents at the end of the year	13 (a) <u>326,962</u>	<u>372,213</u>

The accompanying notes to the financial statements should be read in conjunction with this statement.

Additional information

1. General Information

Global Masters Fund ("GMF" or the "Fund") is an Australian unit trust, having its units listed on the SGX-ST as a non-trading trust. The Fund was constituted on 16 April 2007 and commenced operations on 2 July 2007.

The trustee of the Fund is EFG Capital Management Limited (the "Trustee"). The Trustee is a joint venture company owned by One Investment Group Pty Ltd ("OIG") and AFG Capital Management Limited (a company registered in Hong Kong).

The manager of the fund is One Investment Management Pty Ltd (the "Manager"), a company incorporated in Australia and a wholly owned subsidiary of OIG.

The principal activity of the Fund is to provide exposure to a notional portfolio of some of the leading international absolute return funds.

In light of the Fund's inability to liquidate sufficient assets to meet redemption requests, the Trustee determined that it would be in the best interests of all unitholders to refuse redemption requests from 31 March 2009 and suspend redemption requests until further notice. As at the date of this report, investor redemptions in the Fund continue to be suspended until further notice.

The Trustee has sought to create liquidity by lodging redemption requests with the underlying investment managers. However, due to several underlying investment managers restricting and/or delaying the payment of redemption proceeds, the Fund's receipt of these monies has been delayed. As a result, the Trustee expects there will be further delays in the payment of the balance of redemption proceeds from the underlying funds.

The financial statements were authorised for issue by the directors on 2 December 2016.

2. Adoption of New and Revised Accounting Standards

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

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', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers'	1 January 2018	30 June 2018
AASB 2015-1 'Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2016
AASB 2015 -2 'Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2016
AASB 2015 - 5 'Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2016

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

Additional information

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

New and amended standards adopted by the Fund

The following new and revised Standards and Interpretations have been adopted in the current period.

AASB 1031 'Materiality'

The revised AASB 1031 is an Interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Fund's financial statements.

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)'

This standard addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 'Financial Instruments: Presentation' and clarifies the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. As the Fund does not have any offsetting arrangements in place, the application of the amendments does not have any material impact on the financial statements.

AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'

This standard amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. As the Fund does not use hedge accounting, the application of the amendments does not have any material impact on the financial statements.

AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'

This standard provides an exemption from consolidation of subsidiaries under AASB 10 'Consolidated Financial Statements' for entities which meet the definition of an 'investment entity', such as certain investment funds. Instead, such entities would measure their investment in a particular subsidiary at fair value through profit or loss in accordance with AASB 9 'Financial Instruments' or AASB 139 'Financial Instruments: Recognition and Measurement'. The application of the amendments does not have any material impact on the financial statements.

AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'

This accounting standard amends numerous instruments as a consequence of the issue of Accounting Framework AASB CF 2013 1 Amendments to the Australian Conceptual Framework, and editorial corrections, as set out in Part A of this Standard, to delete references to AASB 1031 Materiality in other Australian Accounting Standards, and to make editorial corrections, as set out in Part B of this Standard, and as a consequence of the issuance of IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39. The adoption of these amendments has not had a material impact on the Fund.

AASB 2014-1 'Amendments to Australian Accounting Standards' [Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles]

The Annual Improvements 2010-2012 Cycle includes a number of amendments to various AASBs. The key amendments relevant to the Fund include changes to AASB 13 -- short-term receivables and payables and AASB 124 -- key management personnel. The adoption of these amendments has not had a material impact on the Fund.

Additional information

2. Adoption of New and Revised Accounting Standards (continued)***New and amended standards adopted by the Fund (continued)***

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C – Materiality)

This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard. The adoption of this amending standard does not have any material impact on the disclosures or the amounts recognised in the Fund's financial statements.

3. Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, as they apply to a fund which is no longer a going concern, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board and the Fund's Trust Deed.

Compliance with Australian Accounting Standards, as issued by the Australian Accounting Standards Board ("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").

b) Basis of preparation

This general purpose financial report has been prepared on a non-going concern basis.

The Statement of Financial Position is presented on a non-going concern 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 amounts expected to be received or settled in relation to these balances cannot be readily determined.

All amounts are presented in United States dollars ("US Dollars") as the functional and presentational currency of the Fund.

c) Non-going concern basis

As a result of the decision to undertake an orderly realisation of assets, this financial report has been prepared on a non-going concern basis. As the only significant assets of the Fund are its cash balances and investments in the SPA, the net realisable value of the Fund's assets is equivalent to their fair value. Due to the inherent uncertainty of valuation, the value of the investments held by the Fund may differ significantly from the values that would have been used, had a ready market for the investments existed, and these differences could be material to the value of the Fund.

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.

Additional information**3. Significant Accounting Policies (continued)*****d) Revenue and income recognition (continued)*****Distributions**

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

Interest income

Interest income is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

e) Cash and cash equivalents

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

f) Investments in financial instruments

Investments in financial instruments, as defined by AASB 132 'Financial Instruments: Presentation', 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.

Designated at fair value through profit or loss

Investments of the Fund that have been designated at fair value through profit or loss include securities that are held for trading but for which there is no positive intention to hold to maturity. All investments are initially recognised at fair value of the consideration paid excluding transaction costs. After initial recognition, the financial assets that are designated at fair value through profit or loss are revalued to fair value at each reporting date.

The Fund carries its investments in the sub-participation agreement ("SPA"), as well as units in fund investments held through One Managed Investment Funds Limited provides custody services ("One Custody Services") at fair value based on financial data supplied by the managers of the underlying funds. Changes in the fair value of the investments are included in the Statement of Profit or Loss and Other Comprehensive Income as unrealised appreciation or depreciation on investments. Due to the inherent uncertainty of valuation, the value of the investments held by the Fund may differ significantly from the values that would have been used, had a ready market for the investments existed, and these differences could be material to the value of the Fund.

The investments held by the Fund have been designated at fair value through profit or loss as doing so results in more relevant information. These investments are part of a full group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

Held for Trading

The Fund may enter into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk. These include forward foreign exchange contracts.

Derivatives are categorised as held for trading and are initially recognised at fair value on the date a derivative contract is entered into. The derivatives are subsequently revalued to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. In this instance, the timing of the recognition of profit or loss depends on the nature of the hedge relationship. As at 30 June 2015 (2014: \$ nil), the Fund did not hold derivative contracts for hedging purposes.

g) Taxation

Under the current 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.

Additional information

3. Significant Accounting Policies (continued)***g) Taxation (continued)***

There is no income of the Fund to which the unitholders are not currently entitled and additionally, the Fund's Trust Deed requires the distribution of the full amount of the net taxable income of the Fund to the 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, including 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 that is assessable in the hands of the unitholders.

h) Distribution to unitholders

In accordance with the Fund's Trust Deed, the Fund distributes all distributable income to unitholders.

Distributable income includes capital gains arising from the disposal of investments and foreign exchange gains. Unrealised gains or losses on investments that are recognised in the Statement of Profit or Loss and Other Comprehensive Income are not distributed until realised. Capital losses are not distributed to unitholders and are retained to be offset against future realised capital gains.

i) Foreign currency transactions

The functional and presentation currency for the Fund is US 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 year in which they arise.

j) Payables

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

k) 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. The application and redemptions prices are determined as the net asset value of the Fund adjusted for the estimated transaction costs, divided by the number of units on issue on the date of the application or redemption.

In light of the Fund's inability to liquidate sufficient assets to meet redemption requests, the Trustee determined that it would be in the best interests of all unitholders to refuse redemption requests from 31 March 2009 and suspend redemption requests until further notice. As at the date of this report, investor redemptions in the Fund continue to be suspended until further notice.

The Trustee has sought to create liquidity by lodging redemption requests with the underlying investment managers. However, due to several underlying investment managers restricting and/or delaying the payment of redemption proceeds, the Fund's receipt of these monies has been delayed. As a result, the Trustee expects there will be further delays in the payment of the balance of redemption proceeds from the underlying funds.

Following the repayment of the Leverage Facility during 2010, the Fund has begun the process of returning capital to unitholders as permitted by available liquidity.

l) 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.

Additional information

3. Significant Accounting Policies (continued)

l) Critical accounting judgements and key sources of estimation uncertainty (continued)

In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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 notes 3c) and 3f) of these financial statements.

m) 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 flow.

4. Investment in Financial Instruments

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Units in hedge fund investments	57,353	-
Over-the-counter option	330,242	513,570
Total	387,595	513,570

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

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.

Additional information

4. Investments in Financial Instruments (continued)

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 30 June 2015, recorded at fair value and presented by level of the fair value hierarchy:

	Year ended 30 June 2015			Total US\$
	Level 1	Level 2	Level 3	
	US\$	US\$	US\$	
Financial assets				
Units in hedge fund investments	-	-	57,353	57,353
Over-the-counter option	-	-	330,242	330,242
Total financial assets designated at fair value through profit or loss	-	-	387,595	387,595

	Year ended 30 June 2014			Total US\$
	Level 1	Level 2	Level 3	
	US\$	US\$	US\$	
Financial assets				
Over-the-counter option	-	-	513,570	513,570
Total financial assets designated at fair value through profit or loss	-	-	513,570	513,570

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year. The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques used to derive level 1, level 2 and level 3 fair values

Level 1

The fair value of financial instruments that are traded in an active market (for example, listed equities) is determined using the last traded quoted price in an active market. As at 30 June 2015 the Fund had \$ nil (2014: \$ nil) financial assets held at fair value through profit or loss included in level 1.

Level 2

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. As at 30 June 2015 the Trust had \$ nil (2014: \$ nil) financial instruments in level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. As at 30 June 2015 the fund had \$387,595 (2014: \$513,570) financial assets held at fair value through profit or loss included in level 3. The instrument is valued by using the latest available statement received from the custodian.

Additional information

4. Investments in Financial Instruments (continued)

Reconciliation level 3 fair values

Financial assets measured on a recurring basis using significant unobservable inputs (Level 3) are shown below:

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Opening balance	513,570	808,729
Change in value of financial assets designated at fair value through profit or loss	(50,304)	(100,353)
Net sales	(75,671)	(194,806)
Closing balance	387,595	513,570

5. Other Expenses

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Administrative	34,000	30,000
HSBC custody fee expenses	30,000	30,000
One custody fee expenses	3,926	-
BNP operating fees	11,638	21,408
Audit fees	11,007	12,826
Other operating expenses	16,988	25,923
Total other expenses	107,559	120,157

HSBC custody fee expenses and BNP operating fees are paid through reduction of the portfolio.

6. Earnings per Unit

Basic and diluted earnings per unit are profit/(loss) attributable to unitholders in the fund divided by the weighted number of units on issue.

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Net loss attributable to unitholders	(169,750)	(234,860)
Basic and diluted earnings per unit (cents)	(0.97)	(1.34)
Weighted average number of units used as denominator (units)	17,514,105	17,514,105

Additional information

7. Net Assets Attributable to Unitholders

The following table shows the changes in net assets attributable to unitholders for the year ended 30 June 2015 and 30 June 2014 respectively:

Year ended 30 June 2015

	No. of Units	US\$
Opening balance as at 1 July 2014	17,514,105	838,631
Total comprehensive income	-	(169,750)
Closing balance as at 30 June 2015	17,514,105	668,881

Year ended 30 June 2014

	No. of Units	US\$
Opening balance as at 1 July 2013	17,514,105	2,194,394
Returns of capital	-	(1,120,903)
Total comprehensive income	-	(234,860)
Closing balance as at 30 June 2014	17,514,105	838,631

8. Capital Management

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 maintain sufficient liquidity to meet the expenses of the Fund; and
- to maintain sufficient size to make the operation of the Fund cost-efficient.

In light of the Fund's inability to liquidate sufficient assets to meet redemption requests, the Trustee determined that it would be in the best interests of all unitholders to suspend redemption requests from 31 March 2009 until further notice. As at the date of this report, unitholder redemptions in the Fund continue to be suspended, until further notice.

9. Segment information

The Fund operated in one business segment, being investment management. The Fund operated from one geographic location, being Australia, from where its investing activities are managed. All assets of the Fund are held in the US geographic region.

10. Financial Assets Designated at Fair Value through Profit or Loss

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Units in hedge fund investments - held through One Custody Services	330,242	-
Over the counter option - investment in SPA - EARF	57,353	513,570
Financial Assets Designated at Fair Value Through Profit or Loss	387,595	513,570

Additional information

10. Financial Assets Designated at Fair Value through Profit or Loss (continued)

The Fund holds multiple units in hedge fund investments that are held through One Custody Services and investment in SPA through HSBC. Investments that are greater than five percent of the Fund's gross assets and are top three funds held in the Fund are as follows:

	% of portfolio	Market value (\$)
TPG- Axon Partners (Offshore) Ltd	17.5%	126,528
Marathon Special Opportunity Fund Ltd	13.0%	93,744
Investment in SPA - EARF	7.9%	57,353
Eton Park Overseas Fund Ltd, Class S	7.2%	51,822

11. Payables

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Trustee fees	2,964	3,723
Administrative and custody fees	22,801	18,483
Audit fees	11,007	12,826
Other	16,353	19,694
Total payables	53,125	54,726

12. Related Party Transactions**(a) Trustee fees**

The trustee of the Fund is EFG Capital Management Limited ("EFGCML" or the "Trustee"). The Trustee entered into an agreement under which One Investment Management Pty Limited (the "Manager") will provide administrative and management services to the Fund.

In accordance with the Trust Deed, the Trustee received a total fee of 1.5% (exclusive of GST), per annum on the Fund's total asset value.

All related party transactions are conducted on an arm's length basis in the ordinary course of business. The transactions during the year ended and amounts payable at year end between the Fund and the Trustee were as follows:

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Trustee fees paid by the Fund to the Trustee	11,910	14,350
Trustee fees payable by the Fund to the Trustee	2,064	3,723

In addition, OMIFL is also responsible for the custody of the Fund's assets. During the year ended 30 June 2015, the Fund paid \$nil (2014: \$nil) to OMIFL for custody services provided. As at 30 June 2015, \$5,601 was payable (2014: \$nil) to OMIFL for custody services provided.

Additional information

12. Related Party Transactions (continued)

(b) Key management personnel

The key management personnel of the Trustee are:

Name	Residency
Frank Tearle	Australia
Justin Epstein	Australia
Timothy Munro-Keene	New Zealand (resigned 28 April 2016)
Bin Lu	New Zealand
Wendy Chu	New Zealand (appointed 28 April 2016)

No amounts were paid by the Fund directly to the directors of EFGCML.

Key management personnel of the Trustee did not hold any units in the Fund as at 30 June 2015 (2014: nil).

There were no distributions paid or payable to either the key management personnel of the trustee for the year ended 30 June 2015 (2014: nil).

(c) Other fees paid to related parties

During the course of the financial year ended 30 June 2015, Unity Fund Services Pty Limited ("UFS") and its wholly owned subsidiary, Unity Taxation Services Pty Limited ("UTS"), provided administration and taxation services to the Fund. UFS and UTS shared a common director, Justin Epstein with the Trustee. On 1 July 2015, Justin Epstein resigned as a director of UFS & UTS. The amounts of fees and the amounts payable at year end are:

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Expenses Incurred by the Fund in relation to:		
- Administration services to UFS	34,000	30,000
- Preparation of statutory accounts by UFS	3,750	3,750
- Taxation services to UTS	9,871	10,324
Total Expenses	47,621	44,074
Amounts due and payable in relation to:		
- Administration services to UFS	3,166	3,166
- Preparation of statutory accounts by UFS	3,919	3,919
- Taxation services to UTS	8,866	10,849
Total Payables	15,952	17,934

Additional information

13. Cash and Cash Equivalents

- (a) Cash and cash equivalents include cash on hand and in banks net of outstanding bank and broker overdrafts and cash balances held with brokers. 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:

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Cash and cash equivalents	326,962	372,213
	326,962	372,213

- (b) Reconciliation of total comprehensive income for the period to net cash flows used in operating activities:

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Total comprehensive loss	(169,750)	(234,860)
Change in fair value of financial assets held at fair value through profit or loss	50,304	100,353
Portfolio related expenses	42,405	67,798
Change in assets and liabilities:		
Decrease in other assets	125	-
Decrease in trade and other payables	(1,601)	(16,311)
Net cash used in operating activities	(78,517)	(83,020)

14. Financial Risk Management Objectives and Policies

The Manager continues to manage the disposal of the underlying portfolio investments in an orderly fashion. Redemption notices for all underlying investments were submitted in prior years. Until such time as those underlying investments are realised, the purpose of the Fund is to meet its investment objective of generating strong, risk-adjusted, absolute investment returns over the medium to long term and in all market conditions, through exposure to a portfolio of international absolute return funds ("Investment Portfolio").

On 31 May 2012, EFGCML in its capacity as the trustee of the Fund, entered into a sub-participation agreement ("SPA") with One Managed Investment Funds Limited in its capacity as the trustee of the Everest Absolute Return Fund ("EARF"). In consideration of EFGCML contributing the Fund assets to, and agreeing to assume the risks in connection with the Fund assets under the Investment Portfolio, One Managed Investment Funds Limited has agreed to pay EFGCML all proceeds it receives in respect of the Fund assets under the Investment Portfolio, as defined in the SPA.

The Manager is responsible for the ongoing monitoring of the Investment Portfolio and ensuring that it complies with agreed guidelines, as set out in the "Resettable strike equity option transaction linked to a basket" agreement dated 29 June 2007.

Risks arising from holding financial instruments are inherent in the Fund's activities, and are managed through a process of ongoing identification, measurement and monitoring.

Financial instruments of the Fund comprise investment in financial assets for the purpose of generating a return on the investment made by unitholders, in addition to derivatives, cash and cash equivalents, net assets attributable to unitholders, and other financial assets such as trade debtors and creditors, which arise directly from its operations.

Additional information

14. Financial Risk Management Objectives and Policies (continued)

The Trustee is responsible for identifying and controlling the risks that arise from these financial instruments.

The Fund is exposed to credit risk, liquidity risk and market risk arising from the financial instruments it holds. The risk management policies employed by the Fund to manage these risks are discussed below.

(a) Credit risk

Credit risk is the risk that counterparty will fail to perform contractual obligations, either in whole or in part, under a contract and cause the Fund to incur a financial loss.

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. This risk may be minimised by:

- ensuring counterparties, together with the respective credit limits are approved;
- ensuring that the transactions are undertaken with a variety of counterparties; and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

The financial instruments of the Fund are not transacted on recognised exchanges and in fact are transacted with a single counterparty. The Fund therefore has concentration of credit risk to the counterparty.

The Fund has credit exposure to the amount of the intrinsic value of the SPA note of US\$387,595 being the Investment Portfolio (2014: US\$513,570). The SPA is backed by the Fund assets held in the EARF BNP Option. Some of the Fund portfolio has credit exposure to the amount of \$330,242 being units in fund investments held by One Custody Services. One Custody Services which is wholly owned by One Managed Investment Funds Limited ("OMIFL"), meets the capital requirements for custodians as prescribed by ASIC. The counterparty to the BNP Option agreement has a Standard & Poor's long term credit rating of A+ (2014: A+).

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Fund will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments and/or redemptions. Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate.

As at 30 June 2015, the Fund's exposure is concentrated with the following counterparties:

- BNP Paribas v/a Everest Absolute Return Fund;
- Everest Absolute Return Fund;
- Commonwealth Bank
- One Custody Services and
- St George Bank.

Net assets attributable to unitholders are classified as debt and are ordinarily included in a maturity grouping based on the fact that they may become payable when a unitholder submits their redemption request in accordance with the Fund's Trust Deed.

However, in light of the Fund's inability to liquidate sufficient assets to meet redemption requests, the Trustee determined that it would be in the best interests of all unitholders to refuse redemption requests for 31 March 2009 and suspend redemption requests until further notice. As at the date of this report, investor redemptions in the Fund continue to be suspended until further notice.

The Trustee has sought to create liquidity by lodging redemption requests with the underlying investment managers. However, due to several underlying investment managers restricting and/or delaying the payment of redemption proceeds, the Fund's receipt of these monies has been delayed. As a result, the Trustee expects there will be further delays in the payment of the balance of redemption proceeds from the underlying funds.

Additional information

14. Financial Risk Management Objectives and Policies (continued)**(b) Liquidity and cash flow risk (continued)**

Following the repayment of the Leverage Facility during 2010, the Fund has begun the process of returning capital to unitholders as permitted by available liquidity.

Due to the uncertainty of the timing of the redemptions from the underlying funds as well as the suspension of redemptions by the Trustee, it is not possible to determine the timing in which net assets attributable to unitholders will be paid to unitholders. As such, no maturity analysis is being conducted on the net assets attributable to unitholders. As at 30 June 2015, net assets attributable to unitholders amounted to US\$668,881 (2014: US\$838,631). All other payables of the Fund are due within 3 months.

(c) Market risk

Market price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in fair value. Investment markets can be affected by factors such as investor sentiment, interest rates, government actions, economic growth, inflation, industrial disruption and world events, and these are beyond the Manager's control. Market risk is minimised by ensuring that all investment activities are undertaken in accordance with agreed investment and leverage guidelines, and meet the Manager's selection, analysis and due diligence criteria.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

All financial assets and financial liabilities included in the Statement of Financial Position are carried at fair value.

The carrying amounts of all the Fund's financial assets and financial liabilities at the Statement of Financial Position date approximated their fair values as all financial assets and liabilities not fair valued are short-term in nature.

The following table demonstrates the sensitivity of the Trust's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income to a reasonable change in interest rates, with all other variables constant. The 25 basis point sensitivity is based on the volatility of change in the AUD cash interest rate over the last 10 years:

	Change in basis points increase/(decrease)	Sensitivity of interest income/expense to increase/(decrease) in interest rate	Sensitivity of changes in fair value of financial assets/liabilities
Year ended 30 June 2015			
AUD interest rate	25bp/(25bp)	8/(8)	-
Year ended 30 June 2014			
AUD interest rate	25bp/(25bp)	./-	-

(e) 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. The Fund is not directly correlated with any particular stock market indices. Price risk exposure arises from the Fund's holding in the SPA for 2015 and 2014 and the exposure to underlying investment funds under the SPA for 2015. The sensitivity analysis below is undertaken to reflect the fact that the Trustee does not benchmark the performance of the Fund against any stock indices.

As at 30 June 2015, a positive 10% sensitivity would have had an impact in the Fund's Statement of Profit or Loss and Other Comprehensive Income in the amount of US\$38,760 (2014: US\$51,357). A negative sensitivity would have equal but opposite impact.

Additional information

14. Financial Risk Management Objectives and Policies (continued)

(f) Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Fund is not exposed to significant foreign exchange risk as its presentation as well as operational currency is in US dollars.

15. Auditor's Remuneration

	Year ended 30 June 2015 US\$	Year ended 30 June 2014 US\$
Audit of the financial report	10,006	11,660

The auditor of the Fund is Deloitte Touche Tohmatsu.

16. Commitments and Contingencies

There are no commitments or contingencies at 30 June 2015 (2014: US\$ nil).

17. Subsequent Events

There has not been any other matter or circumstances occurring subsequent to the end of the year 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.