

ANNUAL REPORT



VANTAGE
WORLD EQUITY FUND

31 December 2017

Annual report as of December 31, 2017

Contents

Executives and Other Information	3
Directors' Report	4-5
Manager's Report	6-22
Independent Auditor's Report	23-24
Audited Financial Statements of Vantage World Equity Fund	25-27
Notes to the Financial Statements	28-38

The Portfolio Movements can be obtained from the registered office of the Fund or from the Administrator.

Executives and Other Information

Annual report as of December 31, 2017
Vantage World Equity Fund

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DIRECTOR'S REPORT

Dear Member,

Over the final quarter of 2017 your Fund gained 6.8% after all fees, in line with its Investment Benchmark, the MSCI World Index Including Income (MSWI), which rose by 6.3% over the same period, both measured in US dollars. Your Fund returned 36.7% versus the 23.1% return of the MSWI over the 2017 calendar year, both measured in US dollars. The MSWI is a proxy for global stock markets, which had a very strong year in 2017. Your Fund outperformed this strong MSWI by 11.1% over the year.

At the end of 2016, your Fund's strategy evolved to a fully systematic strategy driven by the Vantage Research Systems (VRS). Your Fund's performance in the first full calendar year of deploying this strategy is encouraging. We continue to expect this strategy to outperform the MSWI by mid to high single digits per year over most consecutive two year period periods.

Your Fund's outperformance over 2017 was driven by its exposure to Asian equity markets (the best performing region and the largest regional exposure of your Fund this year) and its exposure to the technology sector (the best performing sector and your Fund's largest sectoral exposure this year). Several of your Fund's holdings, most notably Geely Automobile which more than tripled over the course of the year, significantly outperformed the market in which they are listed. Towards year end the stocks favoured by the VRS for new purchases included fewer technology stocks and marginally fewer Asian stocks too. The technology exposure of the Fund has reduced with the natural turnover of the portfolio and we expect this to continue into 2018. More recently we have seen an increase in the number of recommendations of retail stocks being made by the VRS. In the Manager's Report we examine two such retail stocks, both recently added to your Fund, in order to illustrate the workings of the VRS. Your Fund's portfolio turnover was 32% in 2017, below our long term expectation for the strategy of approximately 50% per annum.

All the monthly returns of the MSWI were positive in 2017, as were those of your Fund. By end December 2017 the MSWI had experienced 14 consecutive months of positive monthly returns, the longest unbroken stretch of positive monthly returns for that index since at least 1970. The CBOE Volatility Index (VIX), a measure of the cost of insuring a broad portfolio of US stocks against a correction in the next 30 days, also hit the lowest level in 2017 since its creation in 1990 (and the lowest level since 1986 using estimates of similar of indices). It is our view that these extremely benign investment outcomes are largely a product of the prolonged and continuing period of low to negative real interest rates in most developed nations.

In 1986 the MSWI delivered 12 consecutive positive monthly returns until its first down month, the longest consecutive streak of positive returns until today's. Yet it took a further year and a further 65% cumulative return until the eve of the 1987 crash, itself precipitated by a sharp increase in US long term interest rates. We do not presume that events will unfold the same way today as then. However we are confident that the investment strategy of the Vantage World Equity Fund, in particular its tendency to hold onto winning stocks in conjunction with the discipline to unemotionally cut positions when they start to fail, should enable it to outperform the MSWI in this benign and in more hostile environments.

We remain extremely grateful for your support.

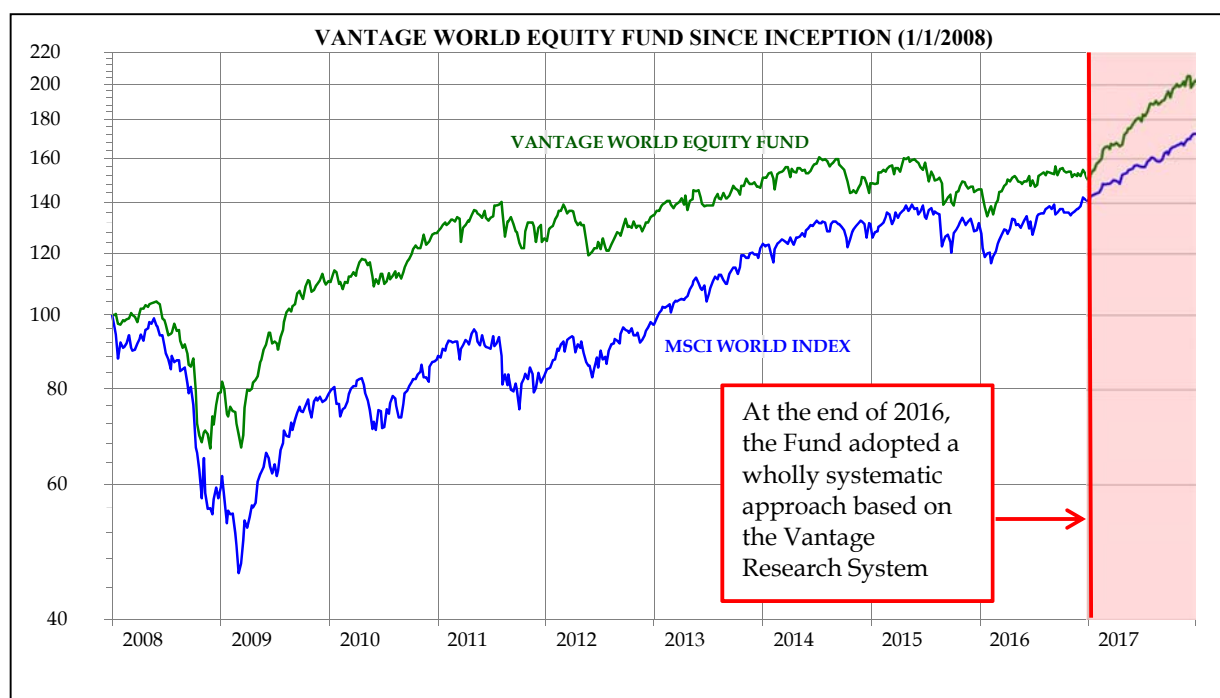


Andrew Veglio di Castelletto

15 January 2018

VANTAGE WORLD EQUITY FUND

The Performance of the Vantage World Equity Fund and its Comparative Index since Inception is presented below:



PERFORMANCE OF FUND AND COMPARATIVE INDEX TO 31 DECEMBER 2017

	% Returns In US\$		
Returns over the Preceding:	Quarter ⁽¹⁾	Year to Date ⁽²⁾	Since Incept. ⁽⁵⁾
Vantage World Equity Fund	6.8	36.7	105.9
MSWI ⁽³⁾	6.3	23.1	73.0
Value Added Return ⁽⁴⁾	0.5	11.1	19.0

Key to Performance Table

1. Quarterly returns are presented from the last NAV of the previous calendar quarter;
2. Current year returns are presented from the last NAV of the previous calendar year;
3. MSWI is defined as the MSCI World Index including income;
4. Value Added is defined as the incremental return earned by VWEF after deducting all expenses and Fees including the Manager's Performance Fee, relative to the return that would have been derived from investing all the Net Assets of VWEF in the MSWI.
5. Inception of the Fund was on 1st January 2008

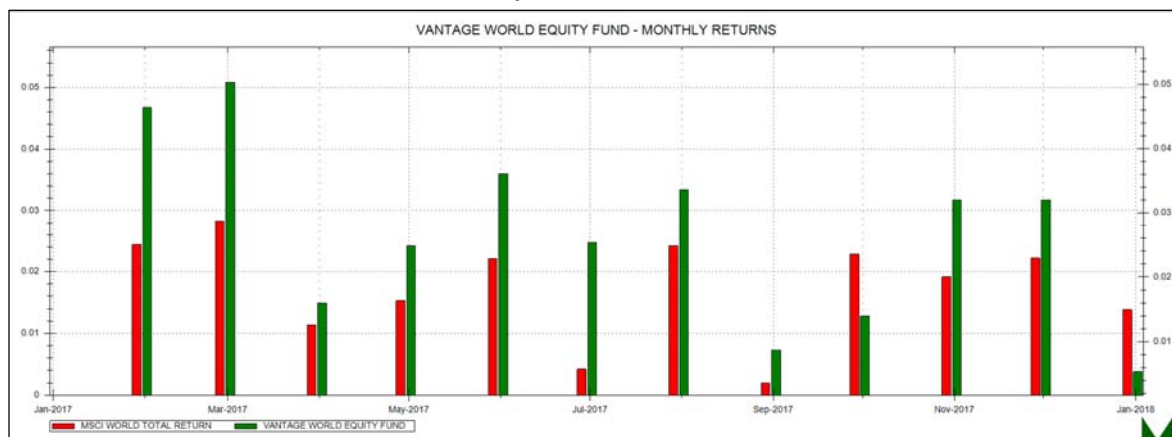
MANAGER'S REPORT

Performance Review

Vantage World Equity Fund is a relative return fund with its performance measured relative to the MSCI World Index (MSWI). In 2017 the Fund outperformed its benchmark by 11.1% while having a beta of 1.2¹. Your Fund ended the reporting period with a 97% exposure to global equities.

Your Fund and the MSWI exhibited twelve consecutive positive calendar monthly returns with your Fund outperforming the MSWI in 10 out of the 12 months. Its outperformance was skewed to the first half of the year, when your Fund's exposure to the Asia Pacific region was at its highest, and the outperformance of this region versus the rest of the world was the strongest.

VANTAGE WORLD EQUITY FUND - MONTHLY RETURNS



Your Fund sold 6 positions in the final quarter of the year representing around 9% of Net Asset Value (NAV). It ended the year with 46 positions and a median position size of 1.9%. For the full year, the portfolio turnover of the Fund was 32%², which is below our expectations for the Fund's investment approach. Based on simulated historical portfolios the Manager's expectation is for your Fund's portfolio turnover to be around 50% per annum. That means each position is held for approximately two years on average.

Over the year to December 2017 the MSWI increased by 23.1% measured in the US dollar and 19.1% in local currencies. Measured in US dollars, earnings per share underlying global stock markets increased by 14%³ over the year, following 2 years of declines, to a few percent below the all-time highs achieved in 2008. The Price to Earnings Ratio underlying global stock markets increased from 19.5 to 20.2 while forecasts for earnings growth 1 year ahead increased from 4% one year ago to 11% today.

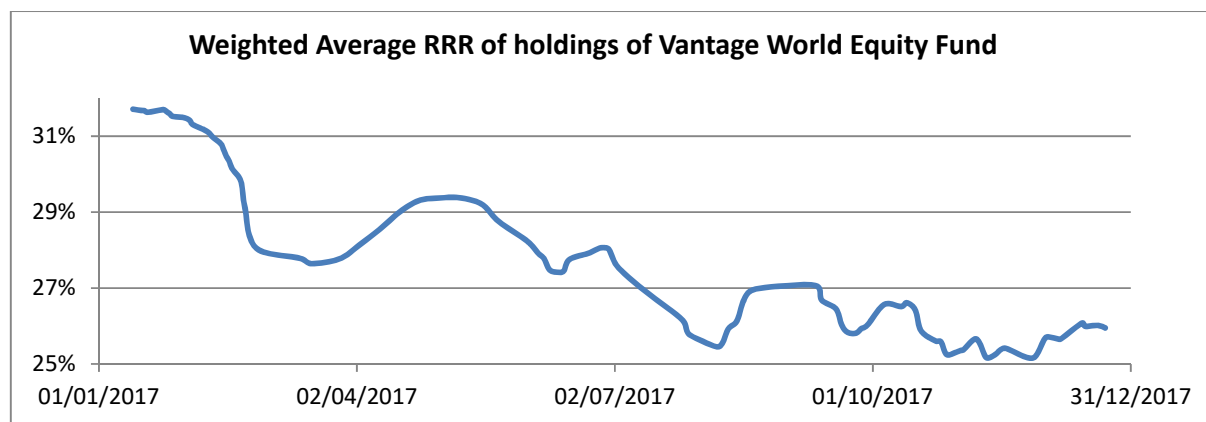
We express our measure of fundamental valuation of a stock through the "Re-Rated Rate of Return", or RRR. This is the annualized return that we expect over the next four years for the stock to return to our estimate of its intrinsic value in 4 years' time based on our valuation models. The average RRR of stocks in your Fund has fallen by around 5% from a around 31% in January 2017 to around 26% at the end of the year, reflecting the strong performance of the Fund this year as the Fund's shares prices have grown into their valuations.

¹ Beta is calculated from weekly returns over calendar 2017

² Calculated as Security Purchases – Net Subscriptions / Average NAV

³ Trailing 12 month earnings of the Vantage World Index, a 500 company global index weighted by market capitalisation

VANTAGE WORLD EQUITY FUND



With an average RRR of 26% today, there remains considerable upside to your Fund's holdings on a fundamental valuation basis.

It is interesting to note that the top 3 performing stocks in your Fund in 2017, stocks which each returned significantly more than 100%, were also some of the most expensive when measured on their Price to Earnings Ratio (PER), both at the start and the end of the year (conversely this year the worse-performing stocks in the Fund tended to be among the most lowly rated when measured on their PER).

Stock	PE Ratio 31-12-16	PE Ratio 31-12-17	2017 Annual EPS growth
IPG Photonics (US)	21x	37x	48%
Tencent Holdings (HK)	40x	53x	63%
Geely Auto (China)	20x	28x	157%

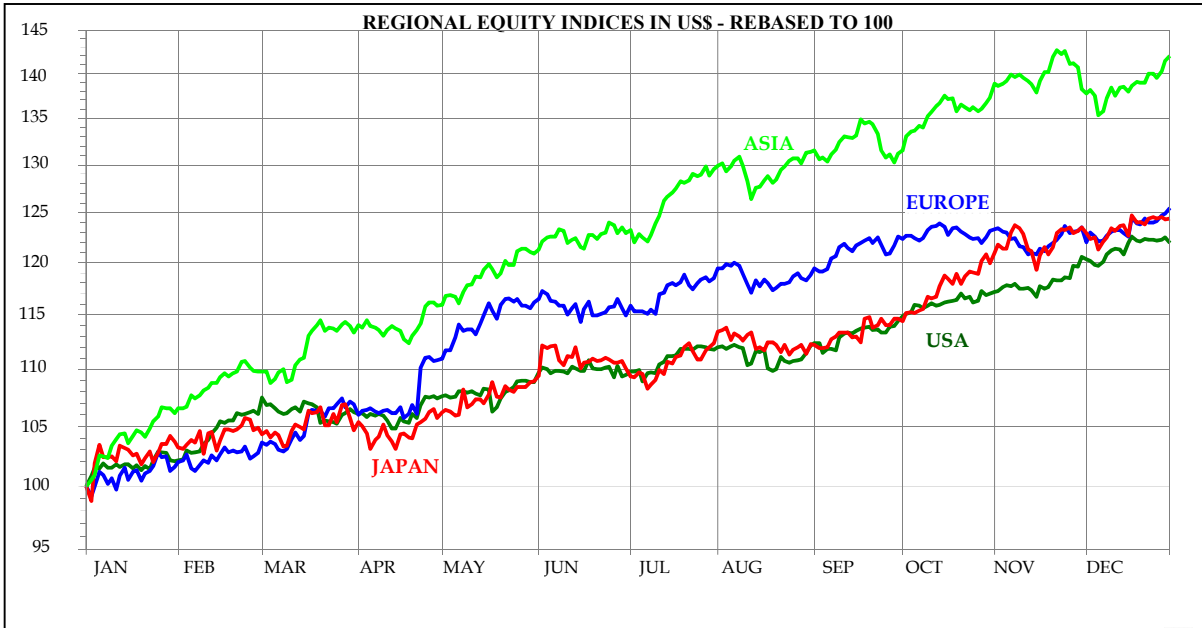
At Vantage we consider ourselves 'value investors' in that we seek out companies whose market price is significantly below the intrinsic value of the business. Within the asset management industry, 'value' is often used synonymously with 'cheap': for example the FTSE Russell Value Indices use the premium of price above accounting book value per share as a factor to determine the degree of 'value' of a stock. At Vantage, estimating future growth is an integral part of establishing 'value' and your Fund will pay for 'expensive' high-multiple stocks when justified by the prospects for growth.

The table below shows the regional equity market returns over the year to 31st December 2017 and the weightings of these regions in both the Fund and the world stock markets.

Equity Market Index	Local Currency Return	US Dollar Return	Weighting in Fund (%)	Weighting in Global stock markets (%)
World Index	19.1	23.1	100	100
United States	21.9	21.9	33	60
Europe	13.7	26.1	16	23
Japan	20.1	24.4	4	9
Asia Pacific Ex Japan	35.9	42.1	34	1
Others	7.9	17.9	13	7

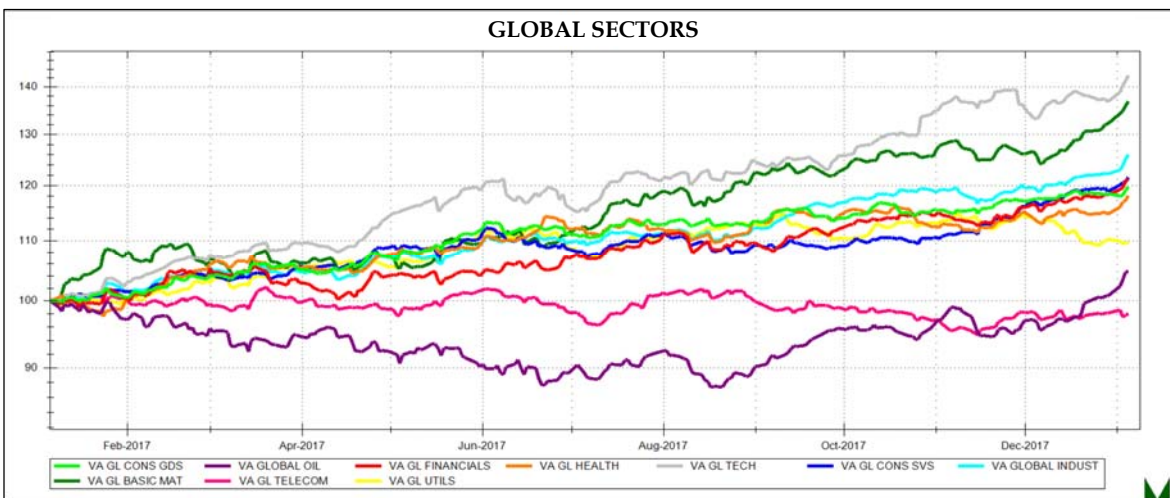
VANTAGE WORLD EQUITY FUND

The chart below shows the evolution of the regional equity markets measured in US dollars over the course of 2017:



Asian stock markets excluding Japan were the best performing global stock markets when measured in US dollars or local currencies. Your Fund’s significant exposure to Asian equities, averaging around 30% of NAV over the year, was a key contributor to your Fund’s outperformance. The exposures of your Fund are chosen through a bottom-up process of stock selection, with diversification enforced through caps applied to country, sectoral and regional exposures. In your 2016 Annual Report, we explained how a large proportion of stock recommendations made by the Vantage Research System were from Asia Pacific causing an overweight exposure to this region, and why this was the case. We follow up on this topic later in the report to discuss where the VRS is finding value today.

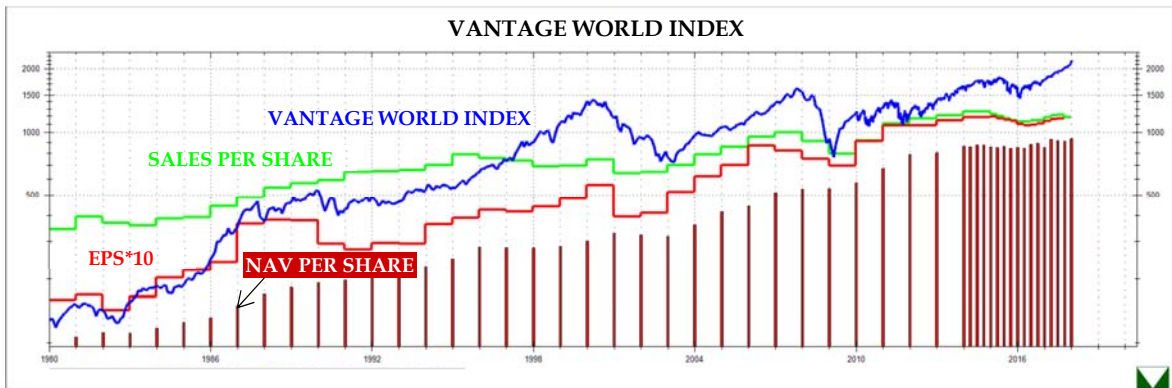
This year the best performing sector was Technology, which returned 40% in US dollars. This was also the largest exposure of your Fund through the year which again contributed to your Fund’s outperformance. The worst performing sectors in 2017 were Telecom where you Fund had no exposure, and Oil & Gas where your Fund held just 4% of its exposure.



Performance of Global Sectors in US\$ over 2017 excluding dividends. Indices are based on the top 100 largest companies by market capitalization per sector.

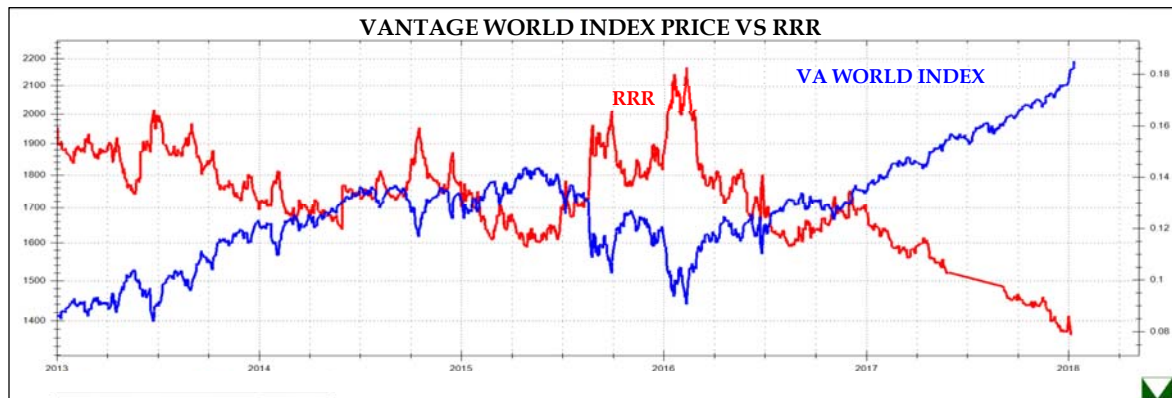
Equity Markets

The benchmark of your Fund is intended to be a proxy of global stock markets. We use the MSCI World Index for this purpose as it is well known and maintained by a trusted third party. Vantage has created its own index of global stock markets for internal use called the Vantage World Index (VWI). It is a market capitalisation weighted index of the largest 500 companies in the countries that constitute the MSWI, and its tracking error to the MSWI in 2017 was 0.2%. The VWI is not only a price index but also a rich data set derived from aggregating the balance sheets and income statements of its constituent companies:



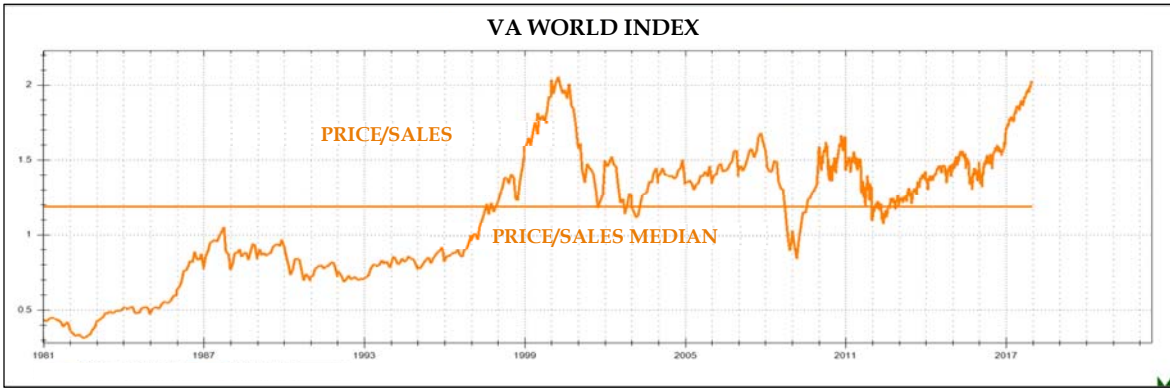
The Vantage World Index plotted against its book value per share (red bars), EPS (red line) and revenues (green line) since 1980

We can value the VWI just like an ordinary company thanks to the associated fundamental information, and this gives us an indication of how global stock markets are priced in relation to their intrinsic value. In principle, forecasting future returns for a broad index should be more accurate than for an individual company. A broad index has a more stable growth profile than most individual companies as it is not exposed to idiosyncratic risks. For example, the Sales per Share growth of the VWI in the chart above is a fairly consistent around 3.4% per annum over the last 40 years. The Vantage World Index has an RRR of 8% which has halved over the last 5 years as the index has grown 50%:

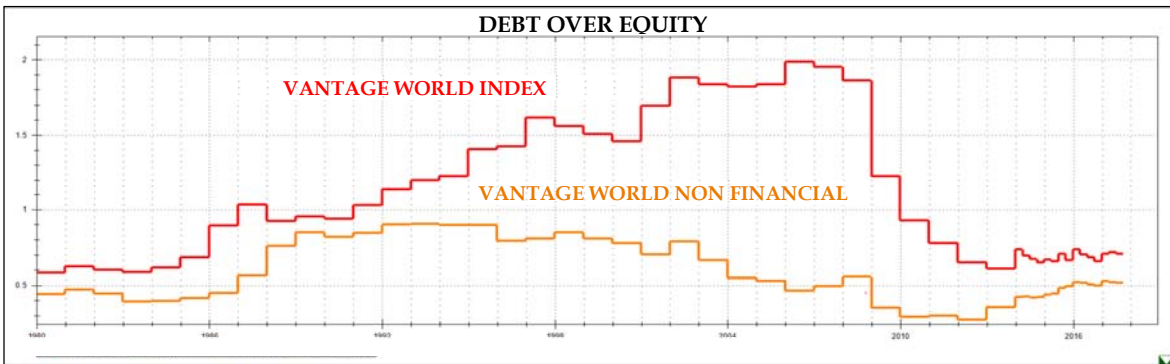


Let's examine the index with the help of the Vantage Research System. On some measures, like the rating of Price to Sales, the Vantage World Index is close to all time extremes which might indicate that global stock markets are near a peak:

VANTAGE WORLD EQUITY FUND

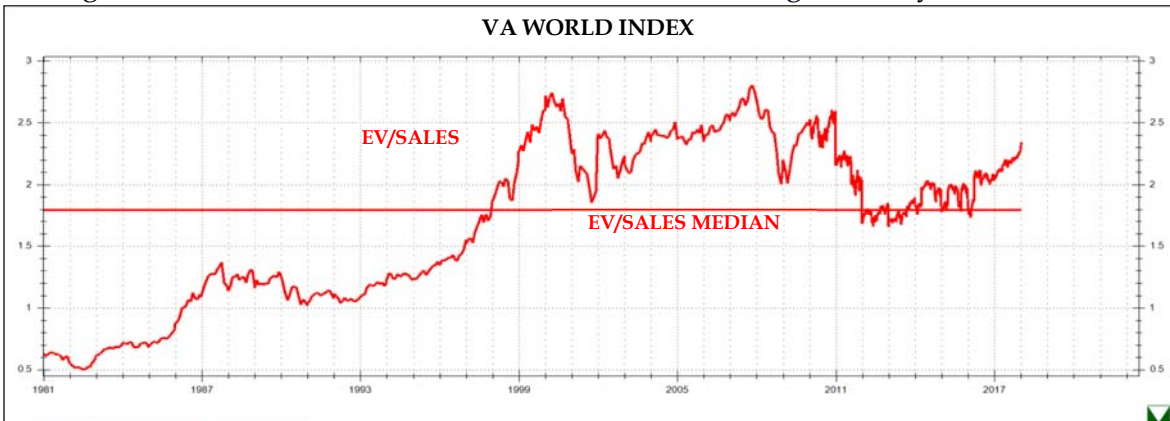


But since 2008, global companies, in particular financial companies, have aggressively delevered:



Vantage World Index (red) and Vantage World Non Financial Index (orange) Net Debt over Equity.

And when we take this into account by examining Enterprise Value (EV), that is market capitalisation plus corporate debt, we find that the EV to Sales rating isn't yet at extremes. The Vantage World Index, and therefore global stock markets, are expensive as they are trading well above their historical median EV to Sales ratings but they are not at extremes.



We see the same looking at other measures of value, whether price relative to book value or to earnings. In each case the VWI, while priced significantly above its historical averages, is far below historical extremes.

In your 2016 Annual Report we remarked how the Vantage Research System (VRS) was finding value in Asian Equity Markets resulting in 34% of the NAV targeted at this region.

VANTAGE WORLD EQUITY FUND

In particular we remarked on the apparent cheapness of Hong Kong equities compared to the United States. For 2017 Hong Kong exposure formed a large part of your Fund's Asian exposure. Asian markets were the strongest performing region of 2017, and Hong Kong in particular was the strongest market of all markets represented in the Investment Benchmark. After the tremendous run in Asian markets in 2017 it is appropriate to review markets today to see where the VRS is finding value. Interestingly we are seeing fewer and lower-RRR recommendations of stocks in Asia compared to last year, and your Fund's Asian exposure has fallen, albeit slightly to 30% of NAV at year end.

The RRRs (the VRS's principle valuation measure) for selected markets and regions are shown below.

Market	RRR	Market	RRR
China 'H' shares	27%	Korea	11%
Hong Kong	20%	Vantage World Index	8%
India	21%	United Kingdom	8%
Indonesia	21%	Eurozone Top 50 Companies	6%
Japan	14%	United States	4%
Spain	14%	Germany	0%
Italy	13%	Switzerland	-5%

Similarly to last year, the VRS still sees Hong Kong and China as the most undervalued markets, despite Hong Kong rallying 37% in 2017. Asian markets in general are by far the most favoured by the VRS, all scoring above 10% while the United States has an RRR of 4%, after including the effects of recent US tax cuts, and Germany has an RRR of zero.

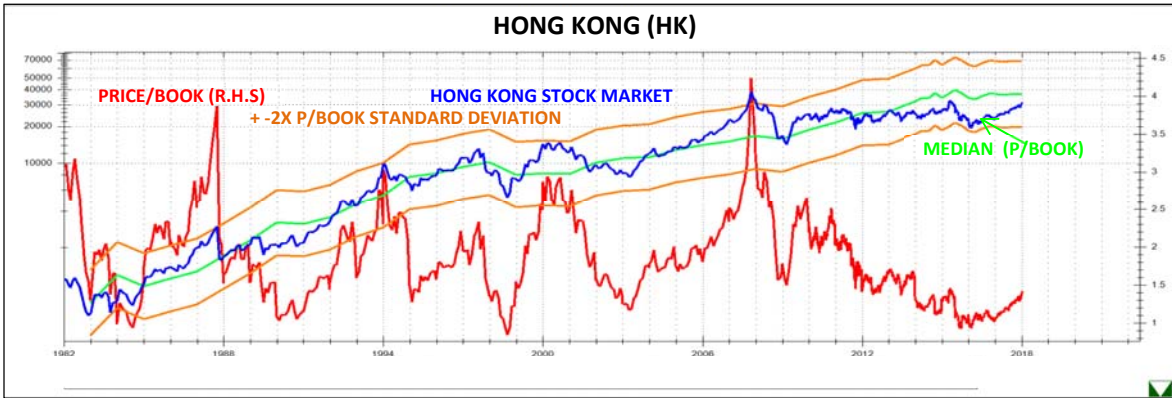
The table below compares the Hong Kong stock market to the US stock market across a range of financial measures. The currencies in which these two markets are denominated are pegged which aids the comparison.

Metric	United States Today (year earlier)	Hong Kong Today (year earlier)
Forecast Revenue per Share Growth	6% (3%)	8% (6%)
Median Historical Return on Equity	14% (14%)	14% (14%)
Price to Book Value per share	3.1 (2.7)	1.4 (1.2)
Price to Revenues per share	2.2 (1.8)	1.5 (1.1)
Price to Trailing Earnings	25.6 (20.0)	12.3 (10.6)
Dividend Yield ⁴	1.7% (2.2%)	2.7% (3.7%)
Net Debt / Equity ⁵	71% (61%)	37% (34%)

We remarked in your 2016 Annual report how Hong Kong offered comparable profitability and stronger forecast growth at half the cost of the United States (the latter measured by Price to Earnings ratio, the price per unit of earnings). A year later the same holds true: Hong Kong offers a superior growth rate and similar profitability at around half the cost. Both markets have become more expensive over the year when measured on their ratio of Price to Earnings, the United States going from 20x earnings to 26x earnings, and Hong Kong going from 11x earnings to 12x earnings, perhaps a reflection of the increase in forecast growth. The United States stock market is expensive compared with its history, far above its historical average ratings of PE, Price to Book and Price to Sales, while Hong Kong is below its average ratings for these measures.

⁴ Gross dividend yield. The US then applies a 30% dividend withholding tax. Hong Kong has no tax on dividends.

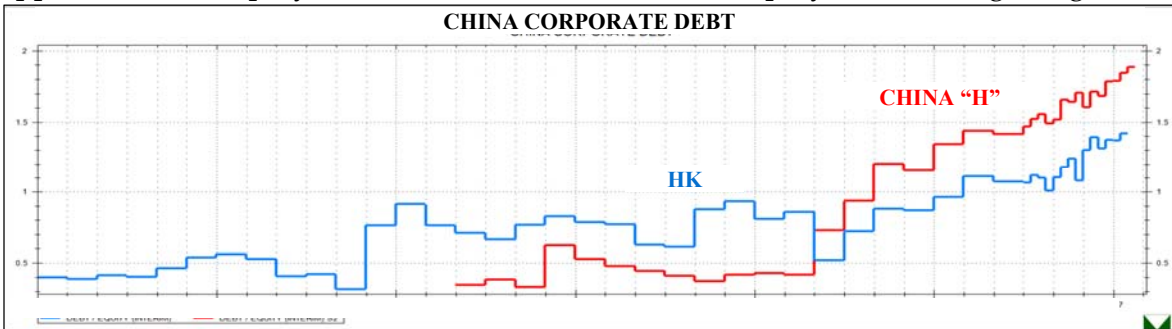
⁵ For non-financial companies



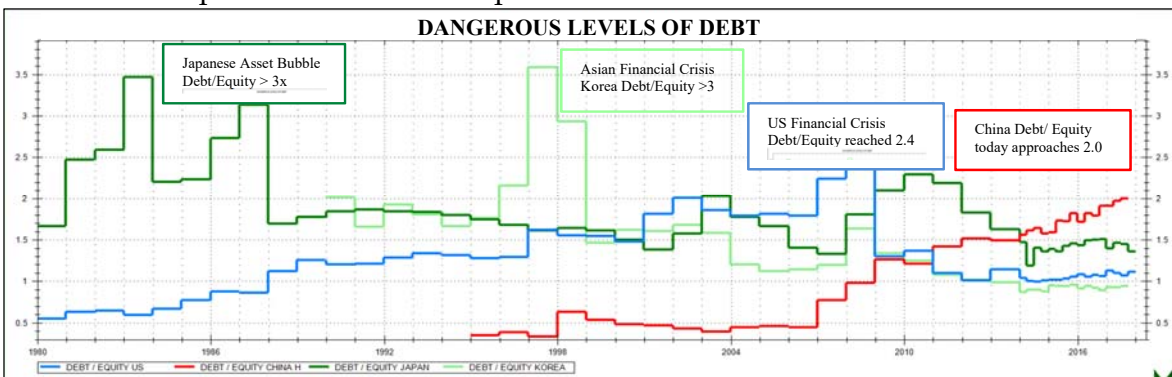
Hong Kong Stock Market (blue), Price to book ratio (red), and ± 2 standard deviation boundaries that represent the extremes of the price/book ratio (orange). The orange bands indicate when the stock trades cheaply or expensive relative to book. Hong Kong is still cheaper than its historic average.

Hong Kong remains a better destination to deploy capital than the United States. Continuing undervaluation in Hong Kong (and other Asian markets) may support a continuation of the bull market in Emerging Markets into 2018.

An often discussed risk to economic growth in China/Hong Kong is the rapid build-up of private sector debts, especially in the 'grey market' of poorly regulated financial products, and fears that this debt build up will result in a financial crisis. China's total debt to as measured by the Bank for International Settlements is 256% of GDP for Q2 2017. (The United States has a similar total debt of 250% of GDP, and Japan's figure is 373%, however these are developed nations with a larger share of government debt than corporate debt, and the recent trajectory of debt is stable unlike China where it is growing fast). The VRS exposes the extraordinary growth in Chinese corporate debt over the last 10 years which approaches 2.0x Equity for Chinese 'H' shares and 1.4x Equity for the Hong Kong market.



Using the Vantage Research System to look at historical corporate debt for selected markets, we see that high levels of debt have indeed preceded financial crises. However while Chinese Debt/Equity is elevated today compared to its history, it has not yet reached the extent that preceded crises in the past.



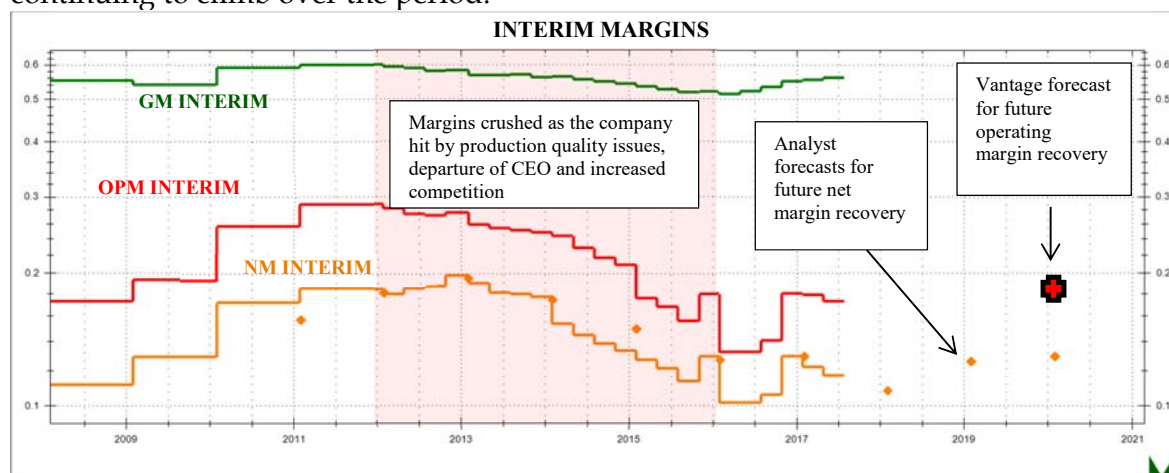
We present below two companies whose shares were recently acquired for your Fund:

Lululemon Athletica (United States)

Lululemon is a Canadian apparel retailer. As remarked in your second quarter report, US retailers had been the worst performing sector until the middle of 2017. As share prices have been falling the RRRs, Vantage’s measure of the expected annualized return over each of the next 4 years, have been increasing such that today this sector forms an increasing number of the recommendations being made by the VRS.

The company’s roots are in clothing for yoga, and its brand is still closely connected to a yoga lifestyle. Its range has expanded beyond yoga to athletic clothing, and it has built a lifestyle brand that can charge a premium for its clothing; its yoga pants can sell for well over \$100. Sportswear designed and marketed for everyday casual wear has developed into a new segment in the apparel market termed “activewear”. Whereas global apparel is growing around 1% per annum, activewear has grown at 7% per annum for the last three years. Lululemon has ridden the growth of this segment and to some extent has been instrumental in its creation.

From its IPO in 2007 until 2012, the company was growing EPS at 50% per year, and the shares carried a premium rating to match. In 2013 the company began to stumble; they issued a recall of their iconic black yoga pants over quality issues that could make them transparent. Also in 2013, the founder of the business, Chip Wilson, made various statements about some womens’ bodies not being suitable for Lululemon’s clothing, which provoked widespread criticism in the press and among feminist groups, damaging the brand. Finally competition within the activewear segment increased, notably from Gap’s similar brand, Athleta, as well as more traditional brands such as Nike. All this took a toll on operating margins which started to shrink, falling from 29% at the start of 2012 to 13% at their trough in 2016. Earnings growth stalled and by 2014 EPS were falling despite revenues continuing to climb over the period.

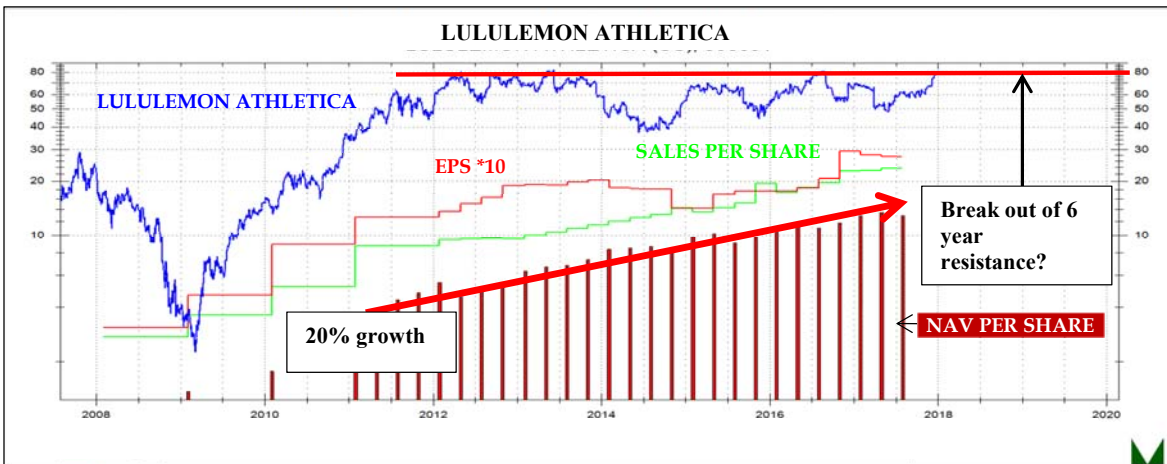


Over the past several years the company has been addressing these problems. In 2013 the CEO departed, and was replaced by an external hire, Laurent Potdevin, who brings experience in marketing premium products from his time at LVMH and experience in lifestyle apparel at Burton Snowboards.

VANTAGE WORLD EQUITY FUND

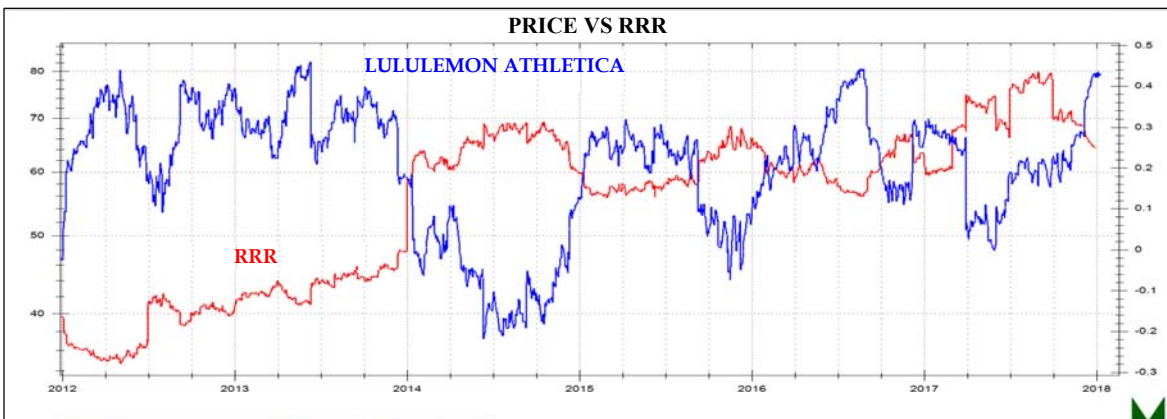
Meanwhile the founder, Chip Wilson, resigned from the board and distanced himself from the company, principally by selling his entire stake in the business.

Today the stock trades around the same price that it did in 2012. However, the fundamentals of the business have grown considerably over that time. Revenues per share are 2.7x higher, Earnings Per Share (EPS) are over 2.2x higher and Book Value per share is 2.3x higher. Furthermore this is a company that is still growing at around 15% per year. Supported by growing fundamentals, the share price today is around the top of its 6 year range with the potential to break upwards to new highs.



Over the last 6 years, book value per share and revenues per share have been growing around 20% per year while the price has traded sideways. We can expect a break out.

Plotting the Vantage RRR against the price since 2012, we see that the forecasted RRR has been increasing while the fundamentals of the business have been growing and the price has been trading sideways. In fact our forecast RRR began 2012 at -20%/year, when stock market optimism about a fresh lifestyle brand emerging in a new apparel segment was at its peak, before growing to +40%/year mid-2017.



RRR is defined as the expected return per year for the stock to return to its intrinsic value over the next 4 years.

Your Fund purchased a 2% position in Lululemon in early December. Today, after an 18% return at time of writing, the Vantage Research System is forecasting Lululemon to return 21% per year over the next 4 years in share price appreciation and dividends. A Vantage Snapshot Report of Lululemon is included in the Appendix to this report.

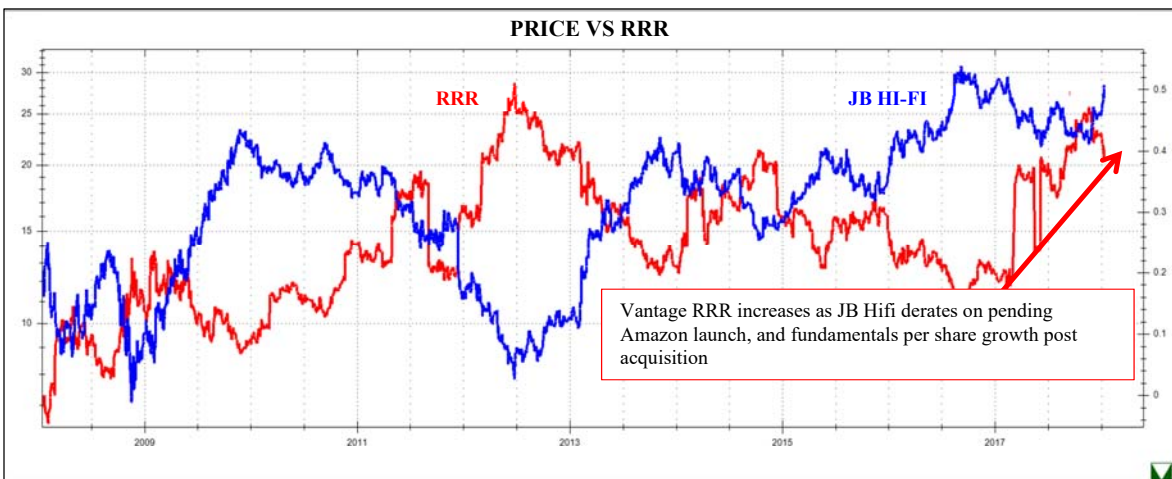
JB Hifi (Australia)

JB Hifi is an Australian electronics retailer. The company was founded in 1974 specialising in hi-fi equipment but has subsequently expanded into music, DVDs, consumer electronics, electronic musical instruments and more recently white goods. From its 300 shops, it is the leader by sales in the Australian market for electronics and home appliances and it has, from its historical financial results, been an astonishingly good company: its median historical return on equity has been 42%, its median historical return on capital employed has been 40% and its median historical Cash Flow Return on Investment has been 23%. It has grown revenues per share at around 20% per annum over the 13 years since it listed, and dividends per share have grown similarly.

In the last couple of years, the company has traded in a very favorable environment. A rival electronics chain entered liquidation, allowing JB Hifi (and others) to grow their market share, and it merged with The Good Guys, an electrical appliance and white goods retailer. It now has around 29% market share in appliances and 24% in consumer electronics, the clear leader in both.

Looking forwards, the environment looks set to get much tougher with the advent of Amazon.com, who launched their business into Australia in November. In the US, Amazon has around 16% market share in retail electronics, and much of JB Hifi’s retail offering of packaged branded goods, is easily substitutable by a different vendor. The merger with The Good Guys can perhaps be seen in the context of entering a market segment less exposed to competition from pure online retailers.

In the US, the mere announcement of Amazon entering a new market segment has caused share prices to plummet. Kroger supermarkets, for example, fell 25% in the two days following the announcement of Amazon’s acquisition of the food retailer, Whole Foods Markets. In the run up to Amazon’s launch, JB Hifi fell 30% relative to the broad Australian market and the stock derated from a price of 20x earnings to 14x earnings. As the share price fell, the per share fundamentals of the business were growing as a result of the merger with The Good Guys, and this had the result of causing the Vantage RRR to increase to 40% towards the end of 2017.



Following strong Christmas trading, which resulted in recommendations and upgrades from brokers, JB Hifi has recently started outperforming its stock market again and this combination of short term price strength in conjunction with fundamental undervaluation caused it to be purchased by your Fund in December.

Australia has an under-developed online marketplace with around 6.5% of total retail sales taking place online (in the UK online sales represent 17% of total sales, and for the US the figure is about 8%). Around 4% of JB Hifi's sales are online, growing at a rate of around 40% per year and the company is investing as a priority to develop the online experience and grow these sales further. It is difficult to imagine a future where Amazon's entry into Australia does not lead to a reduction of margins and a difficult period of transition while the incumbents learn to live with a new, huge and deep-pocketed competitor. In the United States, Best Buy's (US electronics retailer) EBIT margins fell nearly 50% from 2007 to 2013 due to e-commerce competition (they have since recovered half of that fall). It is therefore unclear why today JB Hifi trades at a premium to its historical PE rating in the shadow of this (very well publicized) threat. Is Australia, a country with no indigenous tech sector, blind to the disruptive forces of technology in retail? Or is e-commerce today a more mature industry with an easier migration path for traditional retailers through off the shelf technology and more widely available technical skills?

The Vantage Research System arrives at its valuations after processing historical Income Statements and Balance Sheets going back up to 40 years. The system is quantitative by nature and so qualitative analyses of business strategy fall outside its scope. However beyond just looking for material undervaluation, the VRS seeks to identify good quality companies; it is our belief that a good company is one that can react and evolve to succeed in the face of new threats. This means, among other things, that we are only interested in companies with reasonably long histories that have faced at least one whole business cycle, and that have shown consistent and high profitability through their life. JB Hifi has seen off many competitors in its history to become the market leader in retail electronics. It didn't get there by chance, but because it ran a leaner, more efficient operation than anyone else. Furthermore, unlike Best Buy in 2007, JB Hifi is wholly aware of the scale of the threat of Amazon as a competitor and is not being complacent in recognizing the importance to invest in its online capabilities.

A major strength of the VRS is its capability to objectively evaluate a company's fundamentals and objectively analyse a share price's technical action, without the influence of investor sentiment. The VRS will, for example, unemotionally cut those shares that are not making progress in growing into their expected valuations. Today, we will only impede VRS recommendations if the data on which the decision making is based is wrong (data errors), or misleading (e.g. due to acquisitions or changes in accounting conventions). We have found over time that otherwise intervening in the VRS stock selection process, by applying macro-economic or strategic views, does not add value.

Your Fund purchased a 2% position in JB Hifi in December. Today, after a 14% return, the Vantage Research System is forecasting JB Hifi to return 40% per year over the next 4 years in share price appreciation and dividends. A Vantage Snapshot Report of JB Hifi is included in the Appendix to this report.

PERFORMANCE ATTRIBUTION

The tables below break down the Fund's return into contributions by country and currency, with comparisons to global stock markets.

The largest contribution to the Fund's annual return came from stocks based in Hong Kong. Your Fund ended the year with a 10% exposure to Hong Kong despite Hong Kong representing only around 1% of global stock market capitalization. Two of your Fund's Hong Kong stocks, Tencent Holdings and Geely Automobile, alone contributed over 800 basis points to your Fund's annual return. Your Fund ended the year with just 33% exposure to the United States, despite the US representing around 60% of global stock market capitalization.

	Contribution by Country in US\$ (basis points)	
	Vantage World Equity Fund	Global stock markets ⁶
Hong Kong	950	50
United States	750	1080
India	240	-.7
China	240	-
Poland	150	-
Brazil	140	-
Australia	120	40
Other	630	1000
Total	3670	2310

However, with just 55% of the US exposure of the benchmark, your Fund's contribution from US equities was 70% of that of the benchmark, as its US equities strongly outperformed.

Over the year the US dollar weakened against all the currencies that constitute your Fund, except the Hong Kong dollar (which is pegged to the US dollar and weakened within its permitted trading range) and the Turkish lira. Your Fund's exposure to non-US dollar currencies contributed 4.8% of its return in 2017. By comparison, the foreign currency exposure of global stock markets contributed 3.3% to their US dollar return over the same period due to the higher exposure to US dollar pegged markets. Your Fund's currency exposures are currently a function of its equity investments.

	Currency Contribution in US\$ (basis points)	
	Vantage World Equity Fund	Global stock markets
Euro	70	160
Taiwan dollar	60	-.8
South Korean won	50	-
GB pound	40	70
Polish Zloty	40	-
Indian Rupee	30	-
Danish Krone	30	10
Other	150	90
Total	480	330

⁶ The relative weights of country stock markets in the world is based on stock market total market capitalisations in the Vantage Research Systems for those countries that are included in the Fund's Investment Benchmark

⁷ While the Fund has exposure to Brazil, Poland, China and India, they are not components of the Fund's Investment Benchmark

⁸ While the Fund has exposure to the currencies of South Korea, Taiwan, Poland and India, they are not components of the Fund's Investment Benchmark

VANTAGE WORLD EQUITY FUND

INVESTMENTS AND NET ASSETS AT 31 DECEMBER 2017

<u>Percent</u>	<u>Portfolio Holdings</u>	<u>Number</u>	<u>Market Value</u>
97.4%	SHARES HELD LONG		\$ 64,028,063
38.2%	North America		\$ 25,111,622
3.5%	IPG Photonics	9,560	\$ 2,316,770
3.1%	Grand Canyon Education	22,750	\$ 2,021,110
2.3%	Dolby Laboratories	24,140	\$ 1,533,373
2.3%	Employers Holdings	34,977	\$ 1,530,244
2.3%	Lululemon Athletica	19,000	\$ 1,509,170
2.2%	Apple	8,360	\$ 1,463,000
2.1%	American Express	13,600	\$ 1,374,688
2.0%	Usana Health	18,000	\$ 1,345,500
2.0%	Credit Accep.	4,000	\$ 1,316,040
1.9%	Power Corp Canada	49,000	\$ 1,273,866
1.9%	Waddell & Reed Finl.	57,000	\$ 1,246,020
1.8%	Encore Cap. Group	28,400	\$ 1,214,810
1.8%	Brown & Brown	23,120	\$ 1,208,945
1.8%	Arthur J Gallagher	18,660	\$ 1,185,097
1.8%	Tapestry	25,620	\$ 1,163,404
1.7%	Oracle	22,750	\$ 1,102,693
1.7%	Cognizant	14,800	\$ 1,084,840
1.5%	TMX	16,615	\$ 957,347
1.4%	Adtran	47,405	\$ 914,916
4.4%	Japan		\$ 2,892,438
1.6%	Gree	167,100	\$ 1,078,732
1.5%	Ship Healthcare	29,200	\$ 983,834
1.4%	Yahoo Japan	195,000	\$ 907,057
33.1%	Asia-Pacific Ex-Japan		\$ 21,759,023
5.2%	Geely Automobile	968,000	\$ 3,410,739
3.8%	Tencent Holdings	44,600	\$ 2,471,012
3.0%	Xinyi Glass Holdings	1,438,000	\$ 1,997,286
2.9%	Petronet	479,000	\$ 1,906,849
2.6%	Posco	4,920	\$ 1,704,722
2.2%	Gail	185,700	\$ 1,449,480
2.2%	ASM Pacific Tech.	102,100	\$ 1,423,324
2.2%	JB Hi Fi	69,000	\$ 1,414,077
1.8%	PTT Exploration	390,000	\$ 1,297,171
1.8%	Genting Malaysia	810,000	\$ 1,175,235
1.5%	Seek	73,000	\$ 1,105,678
1.5%	Hon Hai Precn. Ind	368,000	\$ 1,161,829
1.3%	Powertech Technologies	321,200	\$ 972,639
1.3%	Everlight Electronics	557,000	\$ 855,629
21.7%	Europe, UK and other EMEA		\$ 14,264,979
3.2%	Vale	158,200	\$ 2,070,838
2.8%	Sofo Darm	31,884	\$ 1,847,628
2.6%	PKO Bank	131,810	\$ 1,691,371
2.4%	Truworths	212,000	\$ 1,551,182
2.1%	William Demant	48,355	\$ 1,384,997
2.0%	Supergroup	47,000	\$ 1,322,812
2.0%	Abcam	89,032	\$ 1,315,726
1.9%	Hays	495,000	\$ 1,246,065
1.8%	Sports Direct	237,500	\$ 1,205,387
1.5%	Playtech	80,756	\$ 966,793
2.6%	CASH AND EQUIVALENTS		\$ 1,709,168
2.6%	Cash and Margin Deposits Net of Provisions		\$ 1,709,168
100.0%	NET ASSET VALUE		\$ 65,737,231
	Number of shares	319,290	
	NAV per share		\$ 205.89

EXPOSURES TO EQUITIES AT 31 DECEMBER 2017

EQUITY EXPOSURE (%)

Investments by Country	Long Exposure	Weight in global stock markets
U.S.A	33	-
Canada	6	-
<u>North America</u>	38	64
United Kingdom	9	-
Germany	3	-
Poland	3	-
Denmark	2	-
Turkey	0	-
<u>Europe</u>	16	23
<u>Japan</u>	4	9
Hong Kong	10	-
Taiwan	4	-
India	5	-
Australia	4	-
China	4	-
Brazil	3	-
South Korea	3	-
Mexico	2	-
Malaysia	2	-
Thailand	2	-
<u>Asia Pacific and Other</u>	38	4
TOTAL EQUITIES	97	100

CURRENCY EXPOSURE (%)

	Currency Exposure	Weight in global stock markets
US dollar	38	-
Hong Kong dollar	14	-
<u>US Dollar Block</u>	51	61
<u>GBP</u>	9	-
Euro	3	-
Polish zloty	3	-
Danish krone	2	-
<u>Europe</u>	7	22
<u>Japanese Yen</u>	4	9
Indian rupee	5	-
Taiwan dollar	4	-
Australian dollar	4	-
Brazilian real	3	-
South Korean won	3	-
Canadian dollar	3	-
Malaysia ringgit	2	-
Thai baht	2	-
SA Rand	2	-
<u>Asia Pacific and Other</u>	28	8
TOTAL	100	100

(Please note that numbers may not add up to totals due to rounding)

VANTAGE WORLD EQUITY FUND

APPENDIX - Vantage Snapshot Reports

Company: LULULEMON ATHLETICA		50669T	RIC: LULU.O	Country: CANADA														
Security: LULULEMON ATHLETICA		Sector: Clothing & Accessories																
Last Prices	Close	DS Mkt Cap (Loc)	WS Mkt Cap (Loc)	WS Mkt Cap (US\$)	Mkt Trad 1Yr	Mkt Trad 1Mon	Beta	Beta Corr										
10/01/2018	78.86	9,906	9,906	9,906	139.88	121.26	0.82	0.14										
Technical																		
	EWA Med Slip	Rel EWA Med Slip	EWA Lng Slip	Rel EWA Lng Slip	Med OBOS	Lng OBOS	Sht PGAP	Med PGAP										
Security	0.37%	0.23%	0.24%	0.13%	15.31%	22.44%	0.26%	53.36%										
Sector	0.04%	-0.01%	0.04%	0.00%	1.47%	3.79%	-0.25%	-17.71%										
Returns Ratios																		
	Abs	1m	6m	34%	12m	15%	24m	39%	Rel	1m	3%	6m	19%	12m	-6%	24m	-3%	
	30/07/17	Q	WAvg	Avg	Med	Fcast	Max	Min	Cur/WAvg	Co / Ref	Cur/Avg	31/12/2017	WAvg					
Gr Margin	55.8%	55.8%	56.2%	55.1%			59.9%	52.0%	1.00	1.30	1.16	49.8%	43.1%					
Op Margin	17.2%	21.9%	22.0%	19.3%			28.7%	17.2%	0.79	1.69	1.13	14.7%	12.9%					
BT Margin	16.7%	21.9%	22.1%	19.1%			28.9%	16.2%	0.76	2.06	1.14	12.2%	10.7%					
Net Margin	11.7%	14.9%	15.0%	12.9%			19.7%	11.1%	0.79	1.84	1.20	9.7%	8.1%					
Tax Rate	30%	30%	31%	29%			36%	28%	1.00	1.03	0.80	24%	29%					
DPR	0%	0%	0%	0%			0%	0%	#Num!	0.00	1.02	36%	35%					
ROAE	21.6%	25.8%	31.4%	32.8%			39.2%	22.3%	0.84	2.02	1.11	14.2%	12.8%					
ROATE	22.0%	26.6%	33.0%	34.3%			41.5%	23.5%	0.83	0.87	0.87	26.6%	30.7%					
ROIC	51.5%	92.7%	91.6%	86.4%			158.0%	35.7%	0.56	12.03	0.99	7.6%	7.7%					
CFROI VNTG	25.0%	35.7%	36.6%	33.9%			54.5%	20.1%	0.70									
CFROI INFL	12.1%		17.3%	17.0%	15.5%		25.7%	25.7%	0.70									
ROCE	34.6%	46.3%	46.2%	47.4%			58.6%	32.5%	0.75	3.82	0.90	11.0%	12.1%					
D/E	0%	0%	0%	0%			0%	0%	#Num!	0.00	0.88	115.3%	131.2%					
Net D/E	-52%	-59%	-60%	-67%			-37%	-80%	0.87	-0.63	0.75	70.9%	94.0%					
ND/EBITDA	-1.43	-1.33	-1.30	-1.41			-0.84	-1.49	1.08									
INT/EBITDA	0%	0%	0%	0%			0%	0%	#Num!									
Growth																		
	30/07/2017 Q LULULEMON ATHLETICA									IDX US			31/12/2017					
IBES:	01/19	01/18	PREV30	PREV15	BESTFIT_EW	BESTFIT_RG	Yrs	T Stat	MAD	Co / Ref	PREV30	PREV15	BESTFIT_EW					
Revenues	11%	11%	12%	30.7%	30.7%	25.5%	27.2%	7	23.6	0.0	5.30	5.8%	6.4%	6.3%				
EPS	14%	17%	17%	30.6%	30.6%	17.2%	24.7%	7	6.2	1.4	10.77	2.8%	7.3%	7.5%				
DPS												7.9%	12.3%	14.1%				
CPS				29.9%	29.9%	29.9%	29.9%	7	7.3	0.8	4.69	6.4%	7.2%	9.6%				
NAV				32.7%	32.7%	32.7%	32.7%	7	11.8	0.1	4.66	7.0%	7.0%	7.7%				
Tan NAV				33.3%	33.3%	33.3%	33.3%	7	12.3	0.1	9.20	3.6%	3.4%	5.1%				
Reserves	Res / NAV			44.9%	44.9%	44.9%	44.9%	6	5.6	2.2	48.04	0.9%		13.4%				
CE	80.3%			32.6%	32.6%	32.6%	32.6%	7	11.7	0.1	4.10	8.0%	7.9%	8.2%				
No Shares				-0.3%	-0.3%	-1.4%	-0.3%	9	-1.0	0.0	-0.23	1.1%	-1.6%	-1.4%				
Ratings																		
	LULULEMON A									Cur	Median	Max	Min	Cur to Med >1 is more exp	Cur to med rel	Cur rel	Med rel	Mkt cur
CY	IBES			3.6%	3.9%	14.4%	2.1%	1.10	0.89	0.54	0.48	6.5%						
FCF / P	IBES			2.2%	2.3%	5.9%	0.9%	1.06										
FCF / EV	01/20	01/19		2.3%	2.4%	6.4%	1.0%	1.03										
EY (DS)	4.3%	3.7%		2.3%	2.7%	12.8%	1.3%	1.18	0.88	0.57	0.50	4.0%						
EY 10Y (DS)				2.3%	2.7%	12.8%	1.3%	1.18	0.88	0.57	0.50							
EY (WS)				2.6%	2.8%	11.1%	1.7%	1.06	0.94	0.63	0.59	4.2%						
DY	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	#Num!	#Num!	0.00	0.00	1.7%						
P / NAV				7.62	8.39	17.27	2.08	0.91	0.74	2.08	2.80	3.66						
P / TNAV				7.75	8.68	18.20	2.19	0.89	0.60	0.69	1.15	11.21						
P / CE				7.62	8.39	17.14	2.08	0.91	0.75	4.21	5.59	1.81						
EV / EBITDA				18.06	19.22	32.27	3.87	0.94										
Rev / P				0.26	0.20	0.97	0.09	0.74	0.49	0.67	0.33	0.39						
Rev / EV				0.27	0.21	1.18	0.10	0.80										
Valuation																		
	TRR:	PREV30	PREV15	BESTFIT_EW	BESTRT_RG					PREV30	PREV15	BESTFIT_EW	BESTRT_RG					
Int Rate	1.88%	32.8%	32.8%	32.8%	32.8%	PNAV	37%	37%	37%	37%	37%	37%						
R-Prem	3.00%	SGR:	32.8%	32.8%	32.8%	PRev	41%	41%	41%	44%	44%	44%						
Disc Rate	4.88%	Stock PE:	30.0	30.0	30.0	PNAV (IH)	45%	45%	45%	45%	45%	45%						
		Market PE:	18.9	18.9	18.9	PRev (IH)	49%	49%	41%	44%	44%	44%						
						PNAV Min (IH)	2%	2%	2%	2%	2%	2%						
						PRev Min (IH)	0%	0%	-5%	-4%	-4%	-4%						
						PNAV Wrst (IH)	2%	2%	2%	2%	2%	2%						
						PRev Wrst (IH)												
Rerated Return	Wght RR	20%	20%	21%	22%	IBES p/e RRRs												
	NAV	6%	6%	6%	6%	Abs Med	Rel Med	Abs Min	Rel Min									
	T NAV	42%	42%	42%	42%	Current Year	12%	32%										
	ROAE	0%	0%	0%	0%	Next Year	13%	23%										
	W ROAE	21%	21%	21%	21%													
	ROATE	34%	34%	34%	34%													
	W ROATE	29%	29%	29%	29%													
	ROCE	34%	34%	34%	34%													
	Revenues	33%	33%	36%	38%													
	CFROI RR 13%	Assets: Existing	27%	Future	73%													

APPOINTMENTS

Directors of the Fund :

Andrew B. Veglio di Castelletto
Ian Lambert
Christopher Corrigan

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Definitions

- The MSWI denotes the MSCI World Index including income.
- The Net Equity Exposure to a particular region is the sum of all the Fund's equity investments in that region, less any equity hedges including delta adjusted option positions entered into in that region.
- The Net Currency Exposure to a particular currency or currency block is the sum of all the Fund's investments and cash denominated in that currency or currency block, less any currency hedges including delta adjusted option positions entered into in that currency or currency block.
- The Bid and Offer Prices and Net Asset Value of the Fund are calculated each week as of the close of business on Wednesday by the Administrator, UBS Fund Services (Cayman), and are available via the internet on www.vantagefunds.com.



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Independent Auditor's Report

To the Board of Directors of
Vantage World Equity Fund
Grand Cayman, Cayman Islands

Opinion

We have audited the financial statements of Vantage World Equity Fund (the "Fund"), which comprise the statements of financial position as of December 31, 2017, and the statements of comprehensive income, statements of changes in net assets attributable to holders of redeemable shares and statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Other Matter

This report has been prepared for and only for the Vantage World Equity Fund and its directors in accordance with the terms of our engagement letter dated January 10, 2018 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

BDO

May 21, 2018


Statement of Financial Position as of December 31


Assets	Notes	2017 \$	2016 \$
<i>Financial assets at fair value through profit or loss</i>	11	60,347,749	44,675,978
<i>Loans and receivables</i>			
Cash and deposit accounts		5,546,141	3,598,189
Receivable on dividends		23,082	6,520
Total Assets		65,916,972	48,280,687
Equity			
Founder shares	13	100	100
Total Equity		100	100
Liabilities			
<i>Financial liabilities at fair value through profit or loss</i>	11	63,568	625,332
<i>Financial liabilities measured at amortised cost</i>			
Payable on redemptions		-	1,000,000
Fees payable	5	116,172	83,662
Other payables		-	7,369
Total Liabilities		179,740	1,716,363
Net assets attributable to holders of redeemable shares		65,737,132	46,564,224
Total Equity and Liabilities		65,916,972	48,280,687

Key Figures

	2017	2016
Redeemable shares outstanding	319,290.83	302,992.08
Net asset value per redeemable share in USD	205.88	153.68
Net assets attributable to holders of redeemable shares	65,737,132	46,564,224

APPROVED ON BEHALF OF THE BOARD


21/05/2018


21/5/18

Statement of Comprehensive Income for the year ended December 31

	Notes	2017 \$	2016 \$
Investment income			
From financial assets and financial liabilities at fair value through profit or loss:			
Net changes in unrealized gain		13,132,174	4,743,143
Net realized gain/(loss)		3,366,016	(2,797,702)
Net gain on financial assets and financial liabilities at fair value through profit or loss		16,498,190	1,945,441
Other investment income			
Dividends	4	1,070,429	637,801
Interest income	3	27,341	44,978
Income on subscriptions	9	22,972	2,158
Income on redemptions	10	13,418	12,808
Other income		79	-
		1,134,239	697,745
Net Investment income		17,632,429	2,643,186
Expenses			
Management fee	7	717,740	576,930
Custodian bank and administration fee	6	50,273	50,275
Dividends		-	1,249
Audit costs, legal and economic advice		30,275	27,320
Other commissions and fees		47,832	82,540
Total expenses		846,120	738,314
Net income from operations before finance cost		16,786,309	1,904,872
Interest expense	3	193,822	155,512
Withholding tax on dividends		142,203	68,890
		336,025	224,402
Net change in net assets attributable to holders of redeemable shares for the year		16,450,284	1,680,470

Statement of Changes in Net Assets attributable to holders of Redeemable Shares for the year ended December 31

	2017 \$	2016 \$
Net assets attributable to holders of redeemable shares at the beginning of the year	46,564,224	50,782,668
Net change in net assets attributable to holders of redeemable shares for the year	16,450,284	1,680,470
Issuance of redeemable shares	7,695,853	1,194,912
Redemption of redeemable shares	(4,973,229)	(7,093,826)
Net assets attributable to holders of redeemable shares at the end of the year	65,737,132	46,564,224

Statement of Changes in the Number of Redeemable Shares Outstanding (Note 13)

	2017	2016
Statement of Changes in the Number of Fund Shares Outstanding (Note 13)		
Redeemable shares outstanding at the beginning of the financial year	302,992.08	342,064.62
Redeemable shares issued	89,726.38	7,842.03
Redeemable shares redeemed	(73,427.63)	(46,914.57)
Redeemable shares outstanding at the end of the financial year	319,290.83	302,992.08

Statement of Cash Flows for the year ended December 31

	2017	2016
	\$	\$
Cash Flows from Operating Activities		
Interest received	27,341	44,978
Dividends received	911,664	645,251
Interest paid	(193,822)	(155,512)
Dividends paid	-	(1,249)
Other income received	36,469	20,179
Payment of operating expenses	(820,979)	(738,267)
Net proceeds/(payments) from securities and derivatives sold and purchased	264,655	(19,021,132)
Net cash provided by/(used in) operating activities	225,328	(19,205,752)
Cash Flows from Financing Activities		
Proceeds from issuance of redeemable shares	7,695,853	1,194,912
Payments made on redemptions of redeemable shares	(5,973,229)	(6,093,826)
Net cash provided by/(used in) financing activities	1,722,624	(4,898,914)
Net increase/(decrease) in cash and cash equivalents	1,947,952	(24,104,666)
Cash and cash equivalents		
Beginning of the year	3,598,189	27,702,855
End of the year	5,546,141	3,598,189

Note 1 - General

Vantage World Equity Fund (the "Fund") was incorporated on November 16, 2007 as an exempted company under the Companies Law (revised) of the Cayman Islands, as amended from time to time. The Fund is regulated under The Mutual Funds Law (revised) of the Cayman Islands, as amended from time to time. The Fund's registered office is located at MUFG Alternative Fund Services (Cayman) Limited, P.O. Box 852, 227 Elgin Avenue, Grand Cayman KY1-1103, Cayman Islands.

The Fund is managed by Vantage Investment Management Limited (the "Manager") which invests the assets of the Fund in a focused portfolio of shares, currencies and portfolio hedges.

MUFG Alternative Fund Services (Cayman) Limited serves as the administrator (the "Administrator") to the Fund.

Note 2 - Summary of significant accounting policies

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

a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical-cost convention, as modified by the revaluation of the financial assets and financial liabilities held at fair value through profit or loss.

Standards, amendments and interpretations that are effective from January 1, 2017 and beyond:

(i) Standards and amendments to existing standards effective January 1, 2017

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning January 1, 2017 that have had a material impact on the Fund.

(ii) New standards, amendments and interpretations effective after January 1, 2017 and have not been early adopted

At the date of authorization of the financial statements there were a number of other Standards and Interpretations which were in issue but not yet effective. Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Fund.

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for

annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. All investments held by the Fund are classified as Financial assets and liabilities at fair value through profit or loss. The Fund have assessed the adoption of IFRS 9 and deem the impact to be immaterial on the classification and measurement of the Fund's financial assets and financial liabilities.

b) Accounting currency

The accounting as well as the financial statements of the Fund is kept in the United States ("US") dollars. US dollar ("\$") being the functional and reporting currency of the Fund as subscriptions and redemptions are performed in US dollars.

c) Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates and assumptions.

d) Valuation principles

The Fund's Net Asset Value is calculated on Wednesday of each week or at such other time as the Administrator with the approval of the Directors shall determine (the "Valuation Day"), based on the valuation of its underlying assets and liabilities pertaining as of the close of business on the Valuation Day.

All subscriptions and redemptions are based on the Fund's Net Asset Value per Share, (see below), determined by the Administrator at values pertaining as of the close of business on the Valuation Day. The Fund's value is calculated by the Administrator on the first Business Day in the Cayman Islands after the Valuation Day (the "Calculation Day").

The Net Asset Value per Share is expressed in US dollars and is determined by dividing the net assets of the Fund by the number of Shares in issue on the Valuation Day, excluding any subscriptions or redemptions scheduled for that Valuation Day. The net assets of the Fund comprise the principal aggregate of all the investments owned or contracted to be purchased by the Fund at their closing prices in their markets as of the Valuation Day, plus any cash, bills, accrued interest, or other property of any kind as defined from time to time by the Directors, from which are deducted the management, custodial and administrative expenses, the value of any investments contracted to be sold, the aggregate amount of any borrowings, any interest or other charges, or other liabilities of any kind as defined from time to time by the Directors.

e) Financial instruments

I. Classification

The Fund classifies its investments in debt and equity securities and derivatives as financial assets and liabilities at fair value through profit or loss. Financial assets that are classified as loans and receivables include cash and deposit accounts, margin accounts, receivable on dividends, interest receivable and other assets and prepaid expenses. Financial liabilities measured at amortized cost include fees payable, payable on redemptions and other payables.

II. Recognition, derecognition and initial measurement

The Fund recognizes financial assets or liabilities on the date it commits to purchase or sell the instrument. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the statement of comprehensive income.

Financial instruments categorized at fair value through profit or losses are recognized initially at cost. For financial assets acquired, cost is the fair value of the consideration given, while for the financial liabilities, cost is the fair value of the consideration received. Transaction costs for such instruments are recognized directly in the statement of comprehensive income. Financial assets classified as loans and receivables are recognized on the day that they are transferred to the Fund at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities, other than those as at fair value through the profit or loss, are recognized initially at fair value plus transaction costs that are directly attributable to their acquisition or issue. Financial liabilities arising from the redeemable shares issued by the Fund are carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets. Financial liabilities are not recognized unless one of the parties has performed.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

III. Subsequent measurement

Subsequent to initial recognition, the Fund measures all financial instruments classified at fair value through profit or loss at fair value with changes in the fair value recognized in the statement of comprehensive income. 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 (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

Financial assets classified as loans and receivables, and financial liabilities other than those as at fair value through the profit or loss, are measured at amortized cost.

IV. Unrealized gains and losses on subsequent measurement

Unrealized gains and losses arising from a change in the fair value of trading instruments during the year are recognized in the statement of comprehensive income.

In the case of any security which is listed or dealt in on more than one stock exchange, the Directors shall determine the stock exchange whose quotations shall be used in the determination of the value of such security.

In the case of any security for which no price quotations are available, the value thereof shall be determined from time to time in such manner as the Directors shall from time to time determine.

f) Conversion of foreign currencies

Foreign currency transactions are translated to US dollars at the foreign exchange rate ruling at the date of the transaction. Foreign currency assets and liabilities are translated to US dollars at the foreign exchange rate ruling at the statement of financial position date. Foreign currency exchange differences arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within 'net foreign currency gains or losses on cash and cash equivalents'.

Foreign currency exchange differences relating to financial assets and liabilities at fair value through profit or loss are included in the statement of comprehensive income within net gains from financial assets and financial liabilities at fair value through profit or loss.

g) Valuation of forward foreign exchange contracts

As part of the Fund's investment strategy, the Fund enters into certain financial instruments including forward foreign exchange contracts. These forward foreign exchange contracts are initially recognized at fair value and subsequently re-measured at their fair value.

The fair value of forward foreign exchange contracts is based upon the settlement prices from the recognized and regulated markets, with the resulting unrealized gain/loss recorded in the statement of comprehensive income.

Fair value estimates are made at a specific point in time, based on the market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment. Hence, changes in assumptions could significantly affect the estimates.

At December 31, 2016 the Fund was committed to the following amounts as a result of outstanding forward foreign exchange contracts:

Sold Currency	Bought Currency	Maturity Date	Unrealized gain/loss \$
USD725,000	KRW863,793,202	06/30/2017	(9,050)
KRW863,793,202	USD739,339	06/30/2017	22,971

There were no outstanding forward foreign exchange contracts as at December 31, 2017.

h) Dividend and interest income

Dividend income from financial assets at fair value through profit or loss is recognized in the statement of comprehensive income within dividend income when the Fund's right to receive payment is established.

Interest income is recognized in the statement of comprehensive income for all interest bearing instruments using the effective yield method. Interest income may include coupons earned on fixed income investment and trading securities and accrued discount on treasury bonds, commercial papers, floating rate notes and other discounted instruments.

i) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments with maturities of three months or when purchased.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash and deposit accounts and margin accounts.

j) Margin accounts and receivable for securities sold

This account represents cash positions held with the broker as margin to carry its exchange traded future contracts' transactions. These cash positions and/or securities held by the broker serve as collateral for any amounts due to broker. The Fund is subject to credit risk if the broker is unable to repay both initial and maintenance margin balances due in their custody. The cash balances and/or securities also serve as collateral for potential defaults of the Fund.

The Investment Restrictions, set out in the Fund's Prospectus, require that the Fund maintains at least 80% of its net assets in global equities and equity index futures. The method used by the Manager to calculate equity exposure is to sum the notional amounts of each position, delta adjusted in the case of derivatives. The leverage inherent in certain derivatives means that the relevant holdings of the Fund may exceed 20% even when the equity exposure is above 80%.

k) Fees and commission expense

Fees and commission expense are recognized in the profit or loss as the related services are performed.

l) Taxation

Under current legislation in the Cayman Islands there is no income, estate, corporate, capital gain or other taxes payable by the Fund.

The Fund may be subject to foreign withholding tax on certain interest, dividends and capital gains.

m) Net assets attributable to holders of redeemable shares

The Fund issues one class of redeemable shares, which are redeemable at the holder's option. Such shares are classified as financial liabilities.

n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Fund currently has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Note 3 - Interest income and expenses

Interest income and expenses arises from:

	2017	2016
	\$	\$
Interest income for financial assets that are at amortized cost	27,341	44,978
Total interest income	27,341	44,978
Interest expense for financial liabilities that are at amortized cost	193,822	155,512
Total interest expense	193,822	155,512

Note 4 - Dividend income

	2017	2016
	\$	\$
Designated at fair value through profit or loss upon initial recognition - Equity securities	1,070,429	637,801
Total dividend income	1,070,429	637,801

Note 5 - Fees payable

The detail of fees payable is as follows:

	2017	2016
	\$	\$
Management fees	84,887	48,650
Administration fees	13,185	12,912
Audit fee	18,100	18,100
Other Fees	-	4,000
Total fees payable	116,172	83,662

Note 6 - Administrator's fee

The Administrator receives their fees on the basis of eight basis points (0.08%) per annum of the weekly average net assets of the Fund.

Note 7 - Management and Performance Fee

The Manager's Fee is designed to align the interest of the Manager and those of investors in the Fund, who seek returns exceeding those attainable from investing in risk free securities without exposing their investment to the volatility normally associated with investing in global equities. The Manager's Fee is determined by the Administrator each week on the Calculation Day and charged to the Fund. It consists of:

- a base fee of 1.5% per annum of the weekly net asset value.
- a Performance fee of 15% of the incremental value added.

The "incremental value added" is determined as of each Valuation Day as follows: The value added return is calculated for the period since the prior Valuation Day as the ratio difference between the return of the redeemable shares after deducting all expenses other than the Performance Fee, and the return of the MSWI (including income). The cumulative value added return is calculated as the accumulation of the weekly value added returns since the inception of the Fund. The incremental value added return is calculated as the ratio difference between the cumulative value added return on the relevant Valuation Day and the cumulative value added return at which the last Performance Fee was charged.

The incremental value added is calculated as the incremental value added return multiplied by the net asset value of the Fund after all subscriptions and redemptions on the prior Valuation Day have been taken into account. The incremental value added is taken as zero if the incremental value added return is negative.

During the year ended December 31, 2017, the Fund incurred management fees amounting to \$717,740 of which \$84,887 remained payable at year end as disclosed in Note 5.

Note 8 - Dividend distribution policy

The Fund does not anticipate paying dividends, other than if required to do so in order to maintain the Reporting Fund Status designated by United Kingdom HM Revenue & Customs ("UK HMRC") or a similarly advantageous tax classification in another jurisdiction important to the Fund's shareholders. Absent such a requirement, the Fund will retain all dividends, interest and other income derived from its assets, and this will be reflected in the Net Asset Value of the Fund.

For the year ended December 31, 2017, the Fund did not declare dividends (2016: \$Nil).

Note 9 - Income on subscriptions

The income from subscriptions corresponds to the difference between the issue price and the net asset value per share. The issue price is rounded up to the next monetary unit. The transaction cost which is determined with reference to the underlying investment portfolio was 0.3% of the net asset value per share.

Note 10 - Income on redemptions

The income from redemption corresponds to the difference between the redemption price and the net asset value per share. The redemption price is rounded up to the next monetary unit. The transaction cost which is determined with reference to the underlying investment portfolio was 0.3% of the net asset value per share.

Note 11 - Risks associated with the investments and financial instruments held by the Fund

Associated risks: The Fund's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The following summary is not intended to be a comprehensive summary of all risks and investors should refer to the prospectus for a more detailed discussion of the risks inherent in investing in the Fund.

Currency and exchange risk: Currency exposures significantly influence global investment returns. Traditionally, investment managers consider the forecast combined return of an equity in its local currency, and the return of that currency relative to a Fund's base currency, when evaluating an investment in an equity. The Manager does not follow this traditional approach, but rather selects equities with forecast real returns in their local currencies considerably in excess of the real returns generally forecast for global equities. Should the Manager believe the future value of the associated currencies to be vulnerable, they are then hedged into currencies whose future values are expected to strengthen. Very often attractive equity investment opportunities are available in countries with vulnerable currencies. Hence the Fund's currency deployment will frequently differ significantly from its deployment of equities by country.

The Fund is valued in US dollars and will fluctuate in accordance with changes in the foreign exchange rates between the US dollars and other relevant currencies. Shareholders' investments in the Fund and cash distributions from the Fund are made in US dollars, and currency conversions may be required prior to the Fund making portfolio investments and distributing any income and realization proceeds from the Fund investments.

There can be no assurance that fluctuations in exchange rates will not have an adverse effect on the Net Asset Value, on the funds available for investment after conversion of the US dollars proceeds of the placing or on the distributions received by shareholders in US dollars after conversion of the income and realization proceeds from the Fund's investments (which will not necessarily be denominated in US dollars).

	Financial assets/(liabilities) at fair value through profit or loss	Cash and deposit accounts and margin accounts	Other net Liabilities	Total
	\$	\$	\$	\$
2017				
Australian Dollar	2,427,498	-	-	2,427,498
British Pounds	5,897,225	-	-	5,897,225
Canadian Dollar	2,192,737	-	-	2,192,737
Danish Krone	1,351,656	-	-	1,351,656
Euro	1,793,648	(2)	-	1,793,646
Hong Kong Dollar	8,970,813	-	-	8,970,813
Japanese Yen	2,912,270	(1)	-	2,912,269
Malaysian Ringgit	1,126,974	-	-	1,126,974
Mexican Peso	-	59	-	59
Polish Zloty	1,676,330	(1)	-	1,676,329
South Africa Rand	1,617,376	-	-	1,617,376
South Korean Won	1,532,603	-	-	1,532,603
Thailand Baht	1,197,274	-	-	1,197,274
Turkish Lira	-	344	-	344
United States Dollar	27,587,777	5,545,742	(93,090)	33,040,429
	<u>60,284,181</u>	<u>5,546,141</u>	<u>(93,090)</u>	<u>65,737,232</u>

	Financial assets/(liabilities) at fair value through profit or loss	Cash and deposit accounts and margin accounts	Other net Liabilities	Total
	\$	\$	\$	\$
2016				
Australian Dollar	1,021,936	-	-	1,021,936
British Pounds	205,434	2,707,748	-	2,913,182
Canadian Dollar	952,465	(954,642)	-	(2,177)
Danish Krone	904,382	3,856	-	908,238
Euro	3,537,540	376,933	-	3,914,473
Hong Kong Dollar	5,276,489	1,023	-	5,277,512
Japanese Yen	3,422,401	550,270	-	3,972,671
Norwegian Krone	-	289	-	289
Polish Zloty	37,484	10,239	-	47,723
South Africa Rand	-	20,924	-	20,924
South Korean Won	13,921	-	-	13,921
Sweden Krona	-	142,030	-	142,030
Taiwan Dollar	-	27	-	27
Thailand Baht	1,128,087	-	-	1,128,087
United States Dollar	27,550,507	739,492	(1,084,511)	27,205,488
	<u>44,050,646</u>	<u>3,598,189</u>	<u>(1,084,511)</u>	<u>46,564,324</u>

Sensitivity Analysis: At December 31, 2017, had the US Dollar weakened by 1% and December 31, 2016 the US Dollar weakened 1% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable shares and the change in net assets attributable to holders of redeemable shares per the statement of comprehensive income would have increased/decreased by the amounts below:

	2017	2016
	\$	\$
Australian Dollar	24,275	10,219
British Pound	58,972	29,132
Canadian Dollar	21,927	(22)
Danish Krone	13,517	9,082
Euro	17,936	39,145
Hong Kong Dollar	89,708	52,775
Japanese Yen	29,123	39,727
Malaysian Ringgit	11,270	-
Mexican Peso	1	-
Norway Krone	-	3
Polish Zloty	16,763	477
South Africa Rand	16,174	209
South Korea Won	15,326	139
Sweden Krona	-	1,420
Thailand Baht	11,973	11,281
Turkish Lira	3	-
Total	<u>326,968</u>	<u>193,587</u>

Legal risk: The offer and sale of the shares in certain jurisdictions may be restricted by law, and investment in the Fund involve legal requirements, foreign exchange restrictions and tax considerations unique to each investor.

The laws and regulatory apparatus affecting the economies and securities markets of most of the countries in which the Fund will invest are in a relatively early stage of development in certain cases and are not as well established as the laws and the regulatory apparatus of regions such as Western Europe and the United States.

There can be no assurance that the Fund will be able to obtain effective enforcement of its rights by legal proceedings in a number of those countries.

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. Majority of the financial instruments (excluding cash and margin accounts) are non-interest bearing. Interest-bearing financial assets and interest-bearing financial liabilities mature in the short term. As a result, the Fund is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates and therefore, no sensitivity analysis is prepared.

Liquidity risk: The economies and securities markets of a number of the countries in which the Fund invests are substantially less developed in this regard than those of other geographical regions such as the United States and Western Europe, it may be considerably more difficult for the portfolio investments of the Fund to be liquidated than it would be for investors in more developed areas.

The following table details the Funds exposure to liquidity risk:

	Less than 1 month	1-6 months
	\$	\$
2017		
Financial liabilities at fair value through profit or loss	-	63,568
Fees payable	-	116,172
	<u>-</u>	<u>179,740</u>
	Less than 1 month	1-6 months
	\$	\$
2016		
Financial liabilities at fair value through profit or loss	-	625,332
Payable on redemptions	1,000,000	-
Fees payable	-	83,662
Other payables	-	7,359
	<u>1,000,000</u>	<u>716,353</u>

Political and economic risk: The value of the Fund's assets and of an investment in the Fund may be adversely affected by changes in government policies, which may include changes in economic policy and taxation, restrictions on foreign investment and on foreign currency repatriation. Investments of the Fund may also be affected by any significant change in political, social or economic policy or circumstances in these markets.

Credit risk: Financial assets which potentially expose the Fund to credit risk consist principally of cash balances and deposits with and receivables from banks. The extent of the Fund's exposure to credit risk in respect of these financial assets approximates their carrying value as recorded in the Fund's statement of financial position.

The Fund has prime brokerage agreements with brokerage firms to carry its accounts as a customer. The brokers have custody of the Fund's investments and, from time to time, cash balances which may be due from the brokers.

These securities and/or cash positions serve as collateral for any amounts due to broker or as collateral for the open swap contracts, forward currency contracts, options, investments sold, not yet purchased or investments purchased on margin. The securities and/or cash positions also serve as collateral for potential defaults of the Fund.

The Fund is subject to credit risk to the extent that the broker may be unable to fulfill their obligations either to return the Fund's securities or repay amounts owed. In the normal course of its investment activities, the Fund may be required to pledge investments as collateral, whereby the prime brokers have the right, under the terms of the prime brokerage agreements, to sell or repledge the securities if the Fund is unable to meet its margin requirements.

It is the policy of the Fund to transact the securities and contractual commitment activity with brokers-dealers, banks and regulated exchanges that the Manager considers to be well established.

The Fund's cash and cash equivalent balances and securities are held with the Custodian and Prime Brokers. As of December 31, 2017 and 2016, the Custodian and Prime Brokers have a credit rating of A- with Standard & Poor's.

Fair value estimation

As per IFRS 7, the Fund is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, most exchange traded derivatives, many US government treasury bills and certain non-US sovereign obligations. The Fund does not adjust the quoted price for these instruments.

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair

value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities measured at fair value at December 31, 2017 and 2016:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2017				
Assets				
Financial assets at fair value through profit or loss:				
– Equity securities	55,732,118	-	-	55,732,118
– Government	-	1,993,484	-	1,993,484
– Depository receipt	1,934,786	-	-	1,934,786
Derivatives				
– Contract for difference	-	687,361	-	687,361
Total assets	57,666,904	2,680,845	-	60,347,749

Liabilities				
Financial liabilities at fair value through profit or loss:				
Derivatives				
– Contract for difference	-	63,568	-	63,568
Total liabilities	-	63,568	-	63,568

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2016				
Assets				
Financial assets at fair value through profit or loss:				
– Equity securities	33,702,664	-	-	33,702,664
– Bonds	9,988,200	-	-	9,988,200
Derivatives				
– Contract for difference	-	962,143	-	962,143
– Forwards	-	22,971	-	22,971
Total assets	43,690,864	985,114	-	44,675,978

Liabilities				
Financial liabilities at fair value through profit or loss:				
Derivatives				
– Contract for difference	-	616,282	-	616,282
– Forwards	-	9,050	-	9,050
Total liabilities	-	625,332	-	625,332

Transfers between Level 1 and Level 2

There were no transfers between Level 1 and Level 2.

Offsetting and amounts subject to master netting arrangements and similar agreements

As of December 31, 2017 and 2016, the Fund was subject to two master netting arrangements with its derivative counterparties. All of the derivative assets and liabilities of the Fund are held with these counterparties and the margin balance maintained by the Fund is for the purpose of providing collateral on derivative positions.

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument. Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

Description	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities set-off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set-off – financial instruments	Related amounts not set-off – cash collateral	Net amount
2017 derivative assets	687,361	-	687,361	(63,568)	-	623,793
2016 derivative assets	985,114	-	985,114	(625,332)	-	359,782

Description	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets set-off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set-off – financial instruments	Related amounts not set-off – cash collateral	Net amount
2017 derivative liabilities	(63,568)	-	(63,568)	63,568	-	-
2016 derivative liabilities	(625,332)	-	(625,332)	625,332	-	-

Note 12 - Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Fund is managed by the Manager under the terms of the Management Agreement dated December 1, 2007. The Fund appointed the Manager to provide investment management to the Fund. The Manager receives from the Fund in return, a fee based on the net asset value of the Fund as disclosed in note 7.

Parties related to the Fund held shares in the Fund during the year as follows:

	2017	2016
Opening balance	88,553.90	85,818.91
New shares	11,664.86	6,534.99
Disposals	(12,189.13)	(3,800.00)
Closing balance	88,029.63	88,553.90

As of December 31, 2017, Vantage Global Investment Fund (VGIF) (related party under common directorship and manager) held (2016: 48,770) 49,236 redeemable shares of the Fund. These shares were not charged any management and performance fees until August 30, 2017. Effective August 31, 2017, the Directors resolved that management fees and performances fees accrue on VGIF's investments in the Fund.

The total directors' fees incurred and paid for the year ended December 31, 2017 was \$13,020 (2016: \$17,172). The said fees are included in "other commissions and fees" in the statement of comprehensive income.

Note 13 - Share capital

The authorized share capital of the Fund is US\$50,000 divided into 100 voting, non-participating, non-redeemable shares of US\$0.01 par value each (the "Founder Shares"), and 4,999,900 non-voting, participating redeemable shares of US\$0.01 par value each (the "Shares").

The Manager holds the Founder Shares, which are voting shares, do not participate in the investment gain or loss of the Fund, do not receive dividends, and may not be redeemed.

The redeemable shares are non-voting shares and when issued are entitled to participate equally in the profit and dividends, if any, of the Fund and in the capital and assets allocable by the Fund to the shares upon liquidation.

Investors subscribing for Shares pay the Subscription Price. The Subscription Price is calculated by the Administrator on the Calculation Day, and corresponds to the Net Asset Value per Share on the Valuation Day plus the Transaction Cost.

Investors redeeming Shares receive the Redemption Price. The Redemption Price is calculated by the Administrator on the Calculation Day, and corresponds to the Net Asset Value per Share on the Valuation Day less the Transaction Cost.

Note 14 - Employees

As of December 31, 2017 and 2016, the Fund has no employees.

Note 15 - Comparative information

Certain of the corresponding figures have been reclassified to conform to the presentation adopted in the current period.

Note 16 - Post balance sheet events

There were no material post balance sheet events which have a bearing on the understanding of the financial statements other than those mentioned in the following paragraph.

Subsequent to year end through the date of the authorization of the financial statements, the Fund had capital subscriptions and redemptions of \$2,920,572 and \$1,537,514, respectively.

Note 17 - Financial assets and liabilities at fair value through profit or loss (unaudited)

**Investments in securities: Long
Ordinary Shares**

Description		Financial assets at fair value through profit or loss 12.31.2016	Cost in USD as of 12.31.2017	Quantity / Nominal	Financial assets at fair value through profit or loss 12.31.2017	as a % of Net assets
Australia						
AUD	JB Hi-Fi Ltd	-	1,299,135	69,000	1,343,820	2.04%
AUD	Seek Ltd	-	947,463	73,000	1,083,678	1.65%
AUD	Woodside Petroleum Ord Shs	1,021,936	-	-	-	-
		1,021,936	2,246,598		2,427,498	3.69%
Canada						
USD	Lululemon Athletica Inc	-	1,273,599	19,000	1,493,210	2.27%
CAD	Power Corp of Canada	-	1,221,459	49,000	1,261,737	1.92%
CAD	TMX Group Ltd	952,465	890,148	16,615	931,000	1.42%
		952,465	3,385,206		3,685,947	5.61%
China						
HKD	Geely Automobile Holdings Ltd	1,671,953	522,385	968,000	3,357,154	5.11%
HKD	Tencent Holdings Ltd	1,174,022	918,329	44,600	2,317,328	3.53%
		2,845,975	1,440,714		5,674,482	8.64%
Denmark						
DKK	William Demant Holding	904,382	905,956	48,355	1,351,656	2.06%
		904,382	905,956		1,351,656	2.06%
France						
EUR	Technip Ord Shs	1,226,489	-	-	-	-
		1,226,489	-		-	-
Germany						
EUR	Software AG	1,245,584	942,267	31,884	1,793,648	2.73%
		1,245,584	942,267		1,793,648	2.73%
Hong Kong						
HKD	ASM Pacific Technology	1,165,113	935,414	102,100	1,422,919	2.16%
HKD	Xinyi Glass Holdings Ltd	1,265,401	619,609	1,438,000	1,873,412	2.85%
		2,430,514	1,555,023		3,296,331	5.01%
Isle of Man						
GBP	Playtech PLC	-	884,659	80,756	939,026	1.43%
		-	884,659		939,026	1.43%
Japan						
JPY	Dena Ord Shs	663,830	-	-	-	-
JPY	GREE Inc	949,555	933,716	167,100	1,049,843	1.60%
JPY	Sega Sammy Holdings Ord Shs	1,003,612	-	-	-	-
JPY	Ship Healthcare Holdings Inc	805,404	727,478	29,200	967,805	1.47%
JPY	Yahoo Japan Corp	-	937,801	195,000	894,622	1.36%
		3,422,401	2,598,995		2,912,270	4.43%
Korea						
KRW	POSCO	-	1,522,353	4,920	1,532,603	2.33%
		-	1,522,353		1,532,603	2.33%
Malaysia						
MYR	Genting Malaysia BHD	-	990,978	810,000	1,126,974	1.71%
		-	990,978		1,126,974	1.71%
Poland						
PLN	PKO Bank Polski SA	-	1,128,773	131,810	1,676,330	2.55%
		-	1,128,773		1,676,330	2.55%
South Africa						
ZAR	Truworths International Ltd	-	1,293,739	212,000	1,617,376	2.46%
USD	Great Basin Gold Ltd ON PNK	-	-	156,618	-	-
		-	1,293,739		1,617,376	2.46%

Note 17 - Financial assets and liabilities at fair value through profit or loss (unaudited) (continued)

Investments in securities: Long (continued)

Ordinary Shares (continued)

Description		Financial assets at fair value through profit or loss 12.31.2016	Cost in USD as of 12.31.2017	Quantity / Nominal	Financial assets at fair value through profit or loss 12.31.2017	as a % of Net assets
Spain						
EUR	Tecnicas Reunidas Ord Shs	1,065,467	-	-	-	-
		1,065,467	-		-	-
Thailand						
THB	PTT Exploration and Production Ord Shs	1,128,087	1,005,238	390,000	1,197,274	1.82%
		1,128,087	1,005,238		1,197,274	1.82%
United Kingdom						
GBP	Abcam PLC	215,068	942,723	89,032	1,269,259	1.93%
GBP	Hays PLC	-	1,247,687	495,000	1,223,406	1.86%
GBP	Sports Direct International	-	1,245,688	237,500	1,209,920	1.84%
GBP	Supergroup PLC	-	1,248,756	47,000	1,255,614	1.91%
		215,068	4,684,854		4,958,199	7.54%
United States of America						
USD	ADTRAN INC	1,139,962	855,373	47,405	917,287	1.40%
USD	Alliance Resource Partners Units	880,040	-	-	-	-
USD	American Express Co	1,081,568	907,217	13,600	1,350,616	2.05%
USD	Apple Inc	1,042,380	949,528	8,360	1,414,763	2.15%
USD	Arthur J Gallagher & Co	1,044,396	930,567	18,660	1,180,805	1.80%
USD	Brown & Brown Inc	1,117,014	930,667	23,120	1,189,755	1.81%
USD	Coach Ord Shs	966,552	-	-	-	-
USD	Cognizant Technology Solutions Class A	-	1,061,872	14,800	1,051,096	1.60%
USD	Credit Acceptance Corp	-	1,288,012	4,000	1,293,920	1.97%
USD	Dolby Laboratories Ord Shs Class A	1,174,940	881,453	24,140	1,496,680	2.28%
USD	Employers Holdings Ord Shs	1,492,009	952,525	34,977	1,552,979	2.36%
USD	Encore Capital Group Inc	-	885,986	28,400	1,195,640	1.82%
USD	Grand Canyon Education Ord Shs	1,432,025	931,497	22,750	2,036,807	3.10%
USD	Hibbett Sports Ord Shs	969,800	-	-	-	-
USD	IPG Photonics Corp	1,016,713	895,509	9,560	2,047,083	3.11%
USD	Oracle Corp	942,025	938,774	22,750	1,075,620	1.64%
USD	Tapestry Inc	-	926,009	25,620	1,133,173	1.72%
USD	Urban Outfitters Ord Shs	820,224	-	-	-	-
USD	USANA Health Sciences Inc	826,200	1,281,364	18,000	1,332,900	2.03%
USD	Waddell & Reed Financial-A	-	1,294,339	57,000	1,273,380	1.93%
		15,945,848	15,910,692		21,542,504	32.77%
Total Ordinary Shares		32,404,216	40,496,045		55,732,118	84.78%

Note 17 - Financial assets and liabilities at fair value through profit or loss (unaudited) (continued)

Investments in securities: Long (continued)

American Depositary Receipt

Description		Financial assets at fair value through profit or loss 12.31.2016	Cost in USD as of 12.31.2017	Quantity / Nominal	Financial assets at fair value through profit or loss 12.31.2017	as a % of Net assets
Brazil						
USD	VALE SA-SP ADR	1,298,448	912,789	158,200	1,934,786	2.94%
		1,298,448	912,789		1,934,786	2.94%
Total American Depositary Receipt		1,298,448	912,789		1,934,786	2.94%

Contract for Difference

Description		Financial assets at fair value through profit or loss 12.31.2016	Cost in USD as of 12.31.2017	Quantity / Nominal	Financial assets at fair value through profit or loss 12.31.2017	as a % of Net assets
India						
USD	Gail India Ltd	-	-	185,700	33,837	0.05%
USD	Petronet LNG Ord Shs	424,584	-	479,000	51,404	0.08%
		424,584	-		85,241	0.13%
Korea						
USD	Hyundai Mobis	2,812	-	-	-	-
USD	Posco Ord Shs	88,153	-	-	-	-
		90,965	-		-	0.00%
Poland						
PLN	Powszechna Kasa Oszczednosci Bank Polski Ord Shs	37,484	-	-	-	-
		37,484	-		-	0.00%
Taiwan						
USD	Hon Hai Precision Industry Ord Shs	33,575	-	368,000	257,995	0.39%
USD	Powertech Technology Inc	278,046	-	321,200	344,125	0.52%
		311,621	-		602,120	0.91%
United Kingdom						
GBP	Abcam Ord Shs	97,489	-	-	-	-
		97,489	-		-	0.00%
Total Contract for Difference		962,143	-		687,361	1.04%

Treasury Bond

Description		Financial assets at fair value through profit or loss 12.31.2016	Cost in USD as of 12.31.2017	Quantity / Nominal	Financial assets at fair value through profit or loss 12.31.2017	as a % of Net assets
United States of America						
USD	TREASURY BILL 0.000% 03/29/18	-	1,992,476	2,000,000	1,993,484	3.04%
USD	US TREASURY 0.00% 03/30/17	9,988,200	-	-	-	-
		9,988,200	1,992,476		1,993,484	3.04%
Total Treasury Bond		9,988,200	1,992,476		1,993,484	3.04%

Forwards

Currency sold		Unrealized gain/(loss) 12.31.2016	Currency bought		Maturity date	Unrealized gain/(loss) 12.31.2017	as a % of Net Assets
KRW	(863,793,202)	22,971	USD	(739,319)	06/30/2017	-	-
Total Forward Contracts		22,971				-	-
Total financial assets at fair value through profit or loss		44,675,978		42,396,072		60,347,749	91.80%

Note 17 - Financial assets and liabilities at fair value through profit or loss (unaudited) (continued)

Investments in securities: Short

Contract for Difference

Description		Financial assets at fair value through profit or loss 12.31.2016	Cost in USD as of 12.31.2017	Quantity / Nominal	Financial assets at fair value through profit or loss 12.31.2017	as a % of Net assets
India						
USD	Gail Ord Shs	(16,425)	-	-	-	-
		(16,425)	-		-	-
Isle Of Man						
GBP	Playtech Ord Shs	(107,123)	-	-	-	-
		(107,123)	-		-	-
Korea						
USD	Dongbu Insurance Ord Shs	(142,030)	-	-	-	-
		(142,030)	-		-	-
Malaysia						
USD	Genting Malaysia Ord Shs	(100,815)	-	-	-	-
		(100,815)	-		-	-
Mexico						
USD	Genomma Lab International Odr Shs	(76,903)	-	-	-	-
		(76,903)	-		-	-
Taiwan						
USD	Everlight Electronics Ord Shs	(120,806)	-	557,000	(63,568)	(0.10)%
USD	Kinsus Interconnect Technology Ord Shs	(52,180)	-	-	-	-
		(172,986)	-		(63,568)	(0.10)%
Total Contract for Difference		(616,282)	-		(63,568)	(0.10)%

Forwards

Currency sold		Unrealized gain/(loss) 31.12.16	Currency bought		Maturity date	Unrealized gain/(loss) 31.12.17	as a % of Net Assets
USD	725,000	(9,050)	KRW	863,793,202	06.30.2017	-	-
Total Forward Contracts		(9,050)				-	-
Total financial liabilities at fair value through profit or loss		(625,332)		-		(63,568)	(0.10)%