

BATEAU GLOBAL OPPORTUNITIES FUND

ARSN 611 746 975

CONDENSED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

BATEAU GLOBAL OPPORTUNITIES FUND

ARSN 611 746 975

CONDENSED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

CONTENTS

Directors' report

Auditor's independence declaration

Condensed statement of comprehensive income

Condensed statement of financial position

Condensed statement of changes in equity

Condensed statement of cash flows

Notes to the condensed financial statements

Directors' declaration

Independent auditor's review report to the unit holders of Bateau Global Opportunities

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

This condensed financial report covers Bateau Global Opportunities Fund as an individual entity.

The Responsible Entity of Bateau Global Opportunities Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:
Level 1, 575 Bourke Street,
Melbourne, VIC 3000.

DIRECTORS' REPORT

The directors of Equity Trustees Limited, the Responsible Entity of Bateau Global Opportunities Fund (the "Fund"), present their report together with the condensed financial statements of the Fund for the half-year ended 31 December 2020. These condensed financial statements have been prepared as it is a disclosing entity under the *Corporations Act 2001*.

Principal activities

The Fund invests in listed exchange traded funds and unlisted investment funds and companies in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the half-year ended 31 December 2020.

There were no significant changes in the nature of the Fund's activities during the half-year ended 31 December 2020.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Bateau Asset Management Pty Ltd
Custodian and Administrator	Mainstream Fund Services Pty Ltd
Statutory Auditor	Ernst & Young

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the half-year and up to the date of this report:

Philip D Gentry	Chairman
Harvey H Kalman	(resigned 1 September 2020)
Ian C Westley	(resigned 3 July 2020)
Michael J O'Brien	
Russell W Beasley	(appointed 1 September 2020)

Review and results of operations

During the half-year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 1.46% for the half-year ended 31 December 2020. The Fund's benchmark, the Reserve Bank of Australia's (RBA's) cash rate returned 0.10% for the same period.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December	31 December
	2020	2019
Operating profit/(loss) for the half-year (\$'000)	241	(1,337)

There were no distributions declared for the half-year 31 December 2020 and 31 December 2019.

Significant changes in the state of affairs

Ian C Westley resigned as a director of Equity Trustees Limited on 3 July 2020.

Harvey H Kalman resigned as a director of Equity Trustees Limited on 1 September 2020.

Russell W Beasley was appointed as a director of Equity Trustees Limited on 1 September 2020.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the half-year ended 31 December 2020.

DIRECTORS' REPORT (CONTINUED)

COVID-19

COVID-19 continues to create market uncertainty as businesses learn to navigate a new landscape. The impact of factors such as the timing, availability and efficacy of a vaccine; the resurgent infection rates around the world; and the potential for domestic outbreaks remains unclear. Australia's strong economic response, along with its successful management of COVID-19, allows for an optimistic outlook for 2021.

The Responsible Entity and Investment Manager closely monitor any developments and their likely impact on the assets of the Fund, noting that the high degree of uncertainty poses substantial challenges in predicting the extent and nature of the overall impact on the Fund. The Investment Manager however, actively manages the financial risks that the Fund is exposed to and the Net Assets of the Fund continue to be valued in accordance with the frequency set out in the Fund's Offer Documents, applying valuation policies reflective of the prevailing market conditions.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
5 March 2021



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of Equity Trustees Limited as Responsible Entity for Bateau Global Opportunities Fund

As lead auditor for the review of the financial report of Bateau Global Opportunities Fund for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

Rohit Khanna
Partner
Sydney
5 March 2021

Bateau Global Opportunities Fund
Condensed statement of comprehensive income
For the half-year ended 31 December 2020

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Note	Half-year ended	
		31 December 2020 \$'000	31 December 2019 \$'000
Investment income			
Dividend and distribution income		6	6
Net foreign exchange gain/(loss)		(48)	(8)
Net gains/(losses) on financial instruments at fair value through profit or loss	4	488	(1,109)
Other income		-	5
Total investment income/(loss)		446	(1,106)
Expenses			
Management fees		103	108
Responsible Entity fees		24	51
Custody and administration fees		48	37
Other expenses		30	35
Total expenses		205	231
Operating profit/(loss) for the half-year		241	(1,337)
Other comprehensive income		-	-
Total comprehensive income for the half-year		241	(1,337)

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION

		As at	
	Note	31 December 2020 \$'000	30 June 2020 \$'000
Assets			
Cash and cash equivalents		1,112	644
Receivables	8	15	93
Financial assets at fair value through profit or loss	5	21,451	22,514
Total assets		22,578	23,251
Liabilities			
Payables	9	2,311	255
Total liabilities		2,311	255
Net assets attributable to unit holders – equity		20,267	22,996

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

Bateau Global Opportunities Fund
Condensed statement of changes in equity
For the half-year ended 31 December 2020

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Note	Half-year ended	
		31 December 2020 \$'000	31 December 2019 \$'000
Total equity at the beginning of the half-year		22,996	23,523
Comprehensive income for the half-year			
Profit/(loss) for the half-year		241	(1,337)
Other comprehensive income		-	-
Total comprehensive income		241	(1,337)
Transactions with unit holders			
Applications	6	80	2,341
Redemptions	6	(3,050)	(422)
Total transactions with unit holders		(2,970)	1,919
Total equity at the end of the half-year		20,267	24,105

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Bateau Global Opportunities Fund
Condensed statement of cash flows
For the half-year ended 31 December 2020

CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended	
	31 December 2020 \$'000	31 December 2019 \$'000
Cash flows from operating activities		
Proceeds from sales of financial instruments at fair value through profit or loss	1,728	-
Payments for purchase of financial instruments at fair value through profit or loss	(177)	(500)
Dividends and distributions received	4	9
Other income received	-	5
Management fees reimbursed	-	70
Management fees paid	(99)	(569)
Responsible entity fees paid	(28)	(51)
Custody and administration fees paid	(37)	(50)
Recoverable fees paid	3	-
Other expenses paid	(47)	(56)
Net cash inflow/(outflow) from operating activities	1,347	(1,142)
Cash flows from financing activities		
Proceeds from applications by unit holders	155	2,246
Payments for redemptions by unit holders	(986)	(517)
Net cash inflow/(outflow) from financing activities	(831)	1,729
Net increase/(decrease) in cash and cash equivalents	516	587
Cash and cash equivalents at the beginning of the half-year	644	269
Effects of foreign currency exchange rate changes on cash and cash equivalents	(48)	(8)
Cash and cash equivalents at the end of the half-year	1,112	848

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

CONTENTS

- 1 General information
- 2 Basis of preparation
- 3 Fair value measurement
- 4 Net gains/(losses) on financial instruments at fair value through profit or loss
- 5 Financial assets at fair value through profit or loss
- 6 Net assets attributable to unit holders - equity
- 7 Distributions to unit holders
- 8 Receivables
- 9 Payables
- 10 Events occurring after the reporting period
- 11 Contingent assets and liabilities and commitments

1 GENERAL INFORMATION

These condensed financial statements cover Bateau Global Opportunities Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 14 November 2001 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The condensed financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in listed exchange traded funds and unlisted investment funds and companies in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

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

2 BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The directors are satisfied that the Fund has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these condensed financial statements.

In preparing the financial statements for the Fund, the Responsible Entity and Investment Manager considered the current and ongoing impact that the COVID-19 pandemic has on the Fund, including reviewing the Fund's assets and liabilities in light of COVID-19 to ensure valuations remain appropriate. Fund operations, liquidity and risk management were also monitored during the half-year with no material concerns.

At the date of issuing the condensed financial statements, an estimate of future impact on the Fund's investments cannot be made. Actual economic events and conditions in the future may materially differ from those estimated by the Fund at the reporting date.

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Significant accounting policies

The accounting policies applied in these condensed financial statements are the same as those applied to the Fund's financial statements for the year ended 30 June 2020.

i. *New and amended standards adopted by the Fund*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

ii. *New standard and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

3 FAIR VALUE MEASUREMENT

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets at fair value through profit or loss (see Note 5)

3 FAIR VALUE MEASUREMENT

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements.

a. Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

b. Fair value in an inactive or unquoted market (level 2)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Investments in unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

c. Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 31 December 2020 and 30 June 2020.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 December 2020				
Financial assets				
Exchange traded funds	400	-	-	400
Unlisted unit trusts	-	413	-	413
Managed investment scheme	-	20,638	-	20,638
Total financial assets	400	21,051	-	21,451
As at 30 June 2020				
Financial assets				
Exchange traded funds	363	-	-	363
Unlisted unit trusts	-	248	-	248
Managed investment scheme	-	21,903	-	21,903
Total financial assets	363	22,151	-	22,514

3 FAIR VALUE MEASUREMENT (CONTINUED)

d. Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period (30 June 2020: nil).

e. Financial instruments not carried at fair value

The carrying value of cash and cash equivalents, receivables and payables approximate their fair values due to their short-term nature.

4 NET GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net gains/(losses) recognised in relation to financial assets and liabilities at fair value through profit or loss:

	Half-year ended	
	31 December 2020 \$'000	31 December 2019 \$'000
Financial assets		
Net realised gain/(loss) on financial assets at fair value through profit or loss	28	7
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	460	(1,116)
Total net gains/(losses) on financial instruments at fair value through profit or loss	488	(1,109)

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	31 December 2020 \$'000	30 June 2020 \$'000
Exchange traded funds	400	363
Unlisted unit trusts	413	248
Managed investment scheme	20,638	21,903
Total financial assets at fair value through profit or loss	21,451	22,514

6 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS - EQUITY

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Movements in the number of units and net assets attributable to unit holders during the half-year were as follows:

	Half-year ended		Half-year ended	
	31 December 2020 Units '000	31 December 2020 \$'000	31 December 2019 Units '000	31 December 2019 \$'000
Opening balance	19,764	22,996	18,895	23,523
Applications	69	80	1,937	2,341
Redemptions	(2,665)	(3,050)	(347)	(422)
Profit/(loss) for the half-year	-	241	-	(1,337)
Closing balance	17,168	20,267	20,485	24,105

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

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

7 DISTRIBUTIONS TO UNIT HOLDERS

There were no distributions declared for the half-year ended 31 December 2020 and 31 December 2019.

8 RECEIVABLES

	As at	
	31 December 2020 \$'000	30 June 2020 \$'000
Applications receivable	-	75
Dividends and distributions receivable	3	1
GST receivable	12	17
Total receivables	15	93

9 PAYABLES

	As at	
	31 December 2020 \$'000	30 June 2020 \$'000
Management fees payable	13	9
Redemptions payable	2,254	190
Responsible Entity fees payable	4	8
Custody and administration fees payable	27	16
Recoverable fees payable	13	10
Other fees payable	-	22
Total payables	2,311	255

10 EVENTS OCCURRING AFTER THE REPORTING PERIOD

No significant events have occurred since the end of the half-year which would impact on the financial position of the Fund as disclosed in the condensed statement of financial position as at 31 December 2020 or on the results and cash flows of the Fund for the half-year ended on that date.

11 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

There were no outstanding contingent assets and liabilities or commitments as at 31 December 2020 and 30 June 2020.

DIRECTORS' DECLARATION

In the opinion of the directors of the Responsible Entity:

- a. The condensed financial statements and notes set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
- b. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
5 March 2021



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's review report to the unitholders of Bateau Global Opportunities Fund

Report on the half-year financial report

Conclusion

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

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Fund is not in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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



**Building a better
working world**

Independence

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

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'Rohit Khanna', with a long horizontal stroke extending to the right.

Rohit Khanna
Partner
Sydney
5 March 2021