

BATEAU GLOBAL OPPORTUNITIES FUND

ARSN 611 746 975

CONDENSED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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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 2021 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 2021. 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 2021.

There were no significant changes in the nature of the Fund's activities during the half-year ended 31 December 2021.

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 (an Apex Group Company)
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
Michael J O'Brien	
Russell W Beasley	

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 -5.54% for the half-year ended 31 December 2021. The Fund's benchmark, the Reserve Bank of Australia's (RBA's) cash rate returned 0.05% 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
	2021	2020
Profit/(loss) for the half-year (\$'000)	(933)	241

There were no distributions declared for the half-year 31 December 2021 and 31 December 2020.

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the half-year ended 31 December 2021.

DIRECTORS' REPORT (CONTINUED)

COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time as new variants of COVID-19 emerge. There continues to be increased financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. There is still uncertainty around the continued impact of COVID, the potential for further outbreaks both in Australia and around the world.

The Responsible Entity and Investment Manager continue to monitor the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict 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 Asset Values of the Fund continue to be valued in accordance with the frequency set out in the Fund's Product Disclosure Statement, applying valuation policies reflective of the prevailing market conditions.

Matters subsequent to the end of the financial period

At the time of signing these financial statements, there is an increased level of global uncertainty associated with the conflict in Ukraine. The impacts of the Ukraine conflict are not yet known but are likely to result in increased market and economic volatility, which may in turn have an impact on the Fund.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may have a significant effect on:

- i. the operations of the Fund in future financial years; or
- ii. the results of those operations in future financial years; or
- iii. the state of affairs of the Fund in future financial years.

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
9 March 2022

Lead Auditor's Independence Declaration under *Section 307C of Corporations Act 2001*

Bateau Global Opportunities Fund
Condensed statement of comprehensive income
For the half-year ended 31 December 2021

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Half-year ended	
	31 December	31 December
	2021	2020
	\$'000	\$'000
Investment income		
Dividend and distribution income	7	6
Net foreign exchange gain/(loss)	(14)	(48)
Net gains/(losses) on financial instruments at fair value through profit or loss	(775)	488
Total investment income/(loss)	(782)	446
Expenses		
Management costs	118	175
Transaction costs	1	-
Other expenses	32	30
Total expenses	151	205
Profit/(loss) for the half-year	(933)	241
Other comprehensive income	-	-
Total comprehensive income for the half-year	(933)	241

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

Bateau Global Opportunities Fund
Condensed statement of financial position
As at 31 December 2021

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 December 2021 \$'000	30 June 2021 \$'000
Assets			
Cash and cash equivalents		848	346
Receivables	7	36	9
Financial assets at fair value through profit or loss	4	14,807	17,105
Total assets		15,691	17,460
Liabilities			
Payables	8	749	335
Total liabilities		749	335
Net assets attributable to unit holders – equity	5	14,942	17,125

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 2021

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Note	Half-year ended	
		31 December 2021 \$'000	31 December 2020 \$'000
Total equity at the beginning of the half-year		17,125	22,996
Comprehensive income for the half-year			
Profit/(loss) for the half-year		(933)	241
Other comprehensive income		-	-
Total comprehensive income		(933)	241
Transactions with unit holders			
Applications	5	-	80
Redemptions	5	(1,250)	(3,050)
Total transactions with unit holders		(1,250)	(2,970)
Total equity at the end of the half-year		14,942	20,267

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 2021

CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended	
	31 December 2021 \$'000	31 December 2020 \$'000
Cash flows from operating activities		
Proceeds from sales of financial instruments at fair value through profit or loss	1,517	1,728
Payments for purchase of financial instruments at fair value through profit or loss	6	(177)
Dividends and distributions received	8	4
Management costs paid	(114)	(161)
Other expenses paid	(73)	(47)
Net cash inflow/(outflow) from operating activities	1,344	1,347
Cash flows from financing activities		
Proceeds from applications by unit holders	-	155
Payments for redemptions by unit holders	(828)	(986)
Net cash inflow/(outflow) from financing activities	(828)	(831)
Net increase/(decrease) in cash and cash equivalents	516	516
Cash and cash equivalents at the beginning of the half-year	346	644
Effects of foreign currency exchange rate changes on cash and cash equivalents	(14)	(48)
Cash and cash equivalents at the end of the half-year	848	1,112

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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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.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time as new variants of COVID-19 emerge. There continues to be increased financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. There is still uncertainty around the continued impact of COVID, the potential for further outbreaks both in Australia and around the world.

The Responsible Entity and Investment Manager continue to monitor the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict 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 Asset Values of the Fund continue to be valued in accordance with the frequency set out in the Fund's Product Disclosure Statement, applying valuation policies reflective of the prevailing market conditions.

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 2021 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.

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 period.

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 2021.

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 2021 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 2022 and have not been early adopted in preparing these condensed financial statements.

None of these are expected to have a material effect on the condensed 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 4)

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 unlisted 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 2021 and 30 June 2021.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 December 2021				
Financial assets				
Exchange traded funds	403	-	-	403
Unlisted unit trusts	-	514	-	514
Managed investment scheme	-	13,890	-	13,890
Total financial assets	403	14,404	-	14,807
As at 30 June 2021				
Financial assets				
Exchange traded funds	405	-	-	405
Unlisted unit trusts	-	465	-	465
Managed investment scheme	-	16,235	-	16,235
Total financial assets	405	16,700	-	17,105

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 2021: 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 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	31 December 2021 \$'000	30 June 2021 \$'000
Exchange traded funds	403	405
Unlisted unit trusts	514	465
Managed investment scheme	13,890	16,235
Total financial assets at fair value through profit or loss	14,807	17,105

5 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. The Fund's units are classified as equity as they meet the definition of a financial liability to be classified as equity.

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 2021	31 December 2021	31 December 2020	31 December 2020
	Units '000	\$'000	Units '000	\$'000
Opening balance	14,654	17,125	19,764	22,996
Applications	-	-	69	80
Redemptions	(1,119)	(1,250)	(2,665)	(3,050)
Profit/(loss) for the half-year	-	(933)	-	241
Closing balance	13,535	14,942	17,168	20,267

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.

6 DISTRIBUTIONS TO UNIT HOLDERS

There were no distributions declared for the half-year ended 31 December 2021 and 31 December 2020.

7 RECEIVABLES

	As at	
	31 December 2021 \$'000	30 June 2021 \$'000
Dividends and distributions receivable	5	6
GST receivable	31	3
Total receivables	36	9

8 PAYABLES

	As at	
	31 December 2021 \$'000	30 June 2021 \$'000
Management costs payable	52	60
Redemptions payable	697	275
Total payables	749	335

9 EVENTS OCCURRING AFTER THE REPORTING PERIOD

At the time of signing these financial statements, there is an increased level of global uncertainty associated with the conflict in Ukraine. The impacts of the Ukraine conflict are not yet known but are likely to result in increased market and economic volatility, which may in turn have an impact on the Fund.

No other 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 2021 or on the results and cash flows of the Fund for the half-year ended on that date.

10 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

There were no outstanding contingent assets and liabilities or commitments as at 31 December 2021 and 30 June 2021.

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 2021 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
9 March 2022

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