

BATEAU GLOBAL OPPORTUNITIES FUND

ARSN 611 746 975

CONDENSED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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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 2022 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 financial statements of the Fund for the half-year ended 31 December 2022. 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 2022.

There were no significant changes in the nature of the Fund's activities during the half-year ended 31 December 2022.

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	Apex Fund Services Pty Ltd (an Apex Group Company)*
Statutory Auditor	Ernst & Young

*Effective on 21 October 2022, Mainstream Fund Services Pty Ltd changed its name to Apex Fund Services Pty Ltd.

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	
Mary A O'Connor	

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 10.60% for the half-year ended 31 December 2022. The Fund's benchmark, the Reserve Bank of Australia's (RBA's) cash rate returned 1.15% 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 2022	31 December 2021
Profit/(loss) for the half-year (\$)	934,560	(933,067)

There were no distributions declared for the half-year 31 December 2022 and 31 December 2021.

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 2022.

Matters subsequent to the end of the period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may have a significant effect on:

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

DIRECTORS' REPORT (CONTINUED)

Auditor's independence declaration

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

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
6 March 2023



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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 half-year financial report of Bateau Global Opportunities Fund for the half-year ended 31 December 2022, 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;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

Ernst & Young

Ernst & Young

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

Rohit Khanna
Partner
6 March 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Half-year ended	
	31 December 2022	31 December 2021
	\$	\$
Investment income		
Dividend and distribution income	8,049	7,174
Other income	27,304	81
Net foreign exchange gain/(loss)	(12,464)	(14,432)
Net gains/(losses) on financial instruments at fair value through profit or loss	1,002,998	(774,943)
Total investment income/(loss)	1,025,887	(782,120)
Expenses		
Management costs	85,773	117,918
Transaction costs	286	561
Other expenses	5,268	32,468
Total expenses	91,327	150,947
Profit/(loss) for the half-year	934,560	(933,067)
Other comprehensive income	-	-
Total comprehensive income for the half-year	934,560	(933,067)

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

CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 December 2022 \$	30 June 2022 \$
Assets			
Cash and cash equivalents		221,183	1,302,587
Receivables	7	49,710	3,356
Financial assets at fair value through profit or loss	4	9,226,828	9,287,204
Total assets		9,497,721	10,593,147
Liabilities			
Payables	8	40,212	1,699,418
Total liabilities		40,212	1,699,418
Net assets attributable to unit holders – equity	5	9,457,509	8,893,729

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Note	Half-year ended	
		31 December 2022	31 December 2021
		\$	\$
Total equity at the beginning of the half-year		8,893,729	17,125,199
Comprehensive income for the half-year			
Profit/(loss) for the half-year		934,560	(933,067)
Other comprehensive income		-	-
Total comprehensive income		934,560	(933,067)
Transactions with unit holders			
Applications	5	-	-
Redemptions	5	(370,780)	(1,250,195)
Total transactions with unit holders		(370,780)	(1,250,195)
Total equity at the end of the half-year		9,457,509	14,941,937

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

CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended	
	31 December 2022	31 December 2021
	\$	\$
Cash flows from operating activities		
Proceeds from sales of financial instruments at fair value through profit or loss	1,064,752	1,517,394
Payments for purchase of financial instruments at fair value through profit or loss	(13,842)	5,835
Dividends and distributions received	7,721	8,286
Other income received	27,304	-
Management costs paid	(207,788)	(113,804)
Management fees reimbursed	34,901	-
Other expenses paid	(8,414)	(73,261)
Net cash inflow/(outflow) from operating activities	904,634	1,344,450
Cash flows from financing activities		
Payments for redemptions by unit holders	(1,986,038)	(827,951)
Net cash inflow/(outflow) from financing activities	(1,986,038)	(827,951)
Net increase/(decrease) in cash and cash equivalents	(1,081,404)	516,499
Cash and cash equivalents at the beginning of the half-year	1,302,587	345,785
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	(14,409)
Cash and cash equivalents at the end of the half-year	221,183	847,875

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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- 3 Fair value measurement
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- 5 Net assets attributable to unit holders - equity
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- 7 Receivables
- 8 Payables
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- 10 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 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 2022 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 2022.

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 2022 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 2023 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.

3 FAIR VALUE MEASUREMENT (CONTINUED)

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 2022 and 30 June 2022.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 31 December 2022				
Financial assets				
Exchange traded funds	356,662	-	-	356,662
Unlisted unit trusts	-	379,427	-	379,427
Managed investment scheme	-	8,490,739	-	8,490,739
Total financial assets	356,662	8,870,166	-	9,226,828
As at 30 June 2022				
Financial assets				
Exchange traded funds	344,232	-	-	344,232
Unlisted unit trusts	-	373,109	-	373,109
Managed investment scheme	-	8,569,863	-	8,569,863
Total financial assets	344,232	8,942,972	-	9,287,204

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 2022: nil).

3 FAIR VALUE MEASUREMENT (CONTINUED)

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 2022	30 June 2022
	\$	\$
Exchange traded funds	356,662	344,232
Unlisted unit trusts	379,427	373,109
Managed investment scheme	8,490,739	8,569,863
Total financial assets at fair value through profit or loss	9,226,828	9,287,204

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 2022	31 December 2022	31 December 2021	31 December 2021
	Units	\$	Units	\$
Opening balance	10,680,697	8,893,729	14,653,762	17,125,199
Applications	-	-	-	-
Redemptions	(413,130)	(370,780)	(1,118,729)	(1,250,195)
Profit/(loss) for the half-year	-	934,560	-	(933,067)
Closing balance	10,267,567	9,457,509	13,535,033	14,941,937

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 2022 and 31 December 2021.

7 RECEIVABLES

	As at	
	31 December 2022	30 June 2022
	\$	\$
Expense reimbursement fee receivable	46,026	-
Dividends and distributions receivable	3,684	3,356
Total receivables	49,710	3,356

8 PAYABLES

	As at	
	31 December	30 June
	2022	2022
	\$	\$
Management costs payable	33,163	77,111
Redemptions payable	7,049	1,622,307
Total payables	40,212	1,699,418

9 EVENTS OCCURRING AFTER THE REPORTING PERIOD

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 31 December 2022 or on the results and cash flows of the Fund for the 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 2022 and 30 June 2022.

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 2022 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
6 March 2023



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Independent Auditor's Review Report to the Unit Holders of Bateau Global Opportunities Fund

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 2022, 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 summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Fund's financial position as at 31 December 2022 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Equity Trustees Limited (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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us 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 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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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.

Ernst & Young

Ernst & Young

Rohit Khanna

Rohit Khanna
Partner
Sydney
6 March 2023