

# **Bateau Global Opportunities Fund**

ARSN 611 746 975

## **Annual Financial Statements**

**For the period from 14 October 2016 (date  
of commencement) to 30 June 2017**

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These financial statements cover Bateau Global Opportunities Fund as an individual entity.

The Responsible Entity of Bateau Global Opportunities Fund is OneVue RE Services Limited (ABN 94 101 103 011, AFSL 223271). The Responsible Entity's registered office is Level 5, 10-14 Spring Street, Sydney, NSW 2000.

## Directors' report

The Directors of OneVue RE Services Limited (ABN 94 101 103 011; AFSL 223271), the Responsible Entity of Bateau Global Opportunities Fund ('the Scheme'), present their report together with the financial report of the Scheme for the year ended 30 June 2017.

### Principal activities

The Scheme is a registered managed investment Scheme domiciled in Australia.

The Scheme intends to invest in a number of underlying funds. Investing in underlying funds means the Scheme can be exposed to a broad range of investments and asset classes including the following: managed funds (listed and unlisted), exchange traded funds, Australian and international equities, listed property trusts, Australian and international bonds, fixed income, listed and over the counter derivatives, and cash.

The Scheme aims to deliver investors with returns of 8% to 11% per annum, after management and administration fees and ordinary expenses, over a rolling 5 years period.

The Scheme was constituted on 20 April 2016 and was registered with the Australian Securities and Investments Commission (ASIC) on the same date. The Scheme commenced its operations on 14 October 2016.

The Scheme did not have any employees during the period.

There were no significant changes in the nature of the Scheme's activities during the period.

### Directors

The following persons held office as Directors of OneVue RE Services Limited during the period or since the end of the period and up to the date of this report:

Director	Period of directorship	
Nigel Cameron Stokes	Appointed 8 October 2014	
Brett Marsh	Appointed 13 February 2015	Resigned 17 March 2017
Karen Nita Gibson	Appointed 23 March 2016	
Robert Joseph Brown	Appointed 23 March 2016	Resigned 6 June 2017
Alexander Wise	Appointed 17 March 2017	
Vincent Leo Plant	Appointed 17 March 2017	

### Review and results of operations

The Scheme continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme Constitution.

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

	Period from 14 October 2016 commence date to 30 June 2017 \$
Net profit attributable to unitholders before finance costs	332,137
Distributions to unitholders	-
Distributions (\$)	-
Distributions (cents per Unit)	-

## Directors' report (continued)

### Significant changes in state of affairs

There were no significant changes in the state of affairs of the Scheme that occurred during the financial year under review.

### Significant events after balance sheet date

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect:

- (i) the operations of the Scheme in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Scheme in future financial years.

### Likely developments and expected results of operations

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Product Disclosure Statement and the Scheme Constitution.

The results of the Scheme's operations will be affected by a number of factors, including the performance of investment markets in which the Scheme invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

### Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards of insurance cover provided to either the officers of OneVue RE Services Limited or the auditors of the Scheme. So long as the officers of OneVue RE Services Limited act in accordance with the Scheme Constitution and the Law, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme.

The auditors of the Scheme are not indemnified out of the assets of the Scheme.

### Fees paid to and interests held in the Scheme by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Scheme property during the period are disclosed in Note 12 of the financial statements.

No fees were paid out of Scheme property to the Directors of the Responsible Entity during the year.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the financial period are disclosed in Note 12 of the financial statements.

### Interests in the Scheme

The movement in units on issue in the Scheme during the period is disclosed in Note 11 of the financial statements.

The value of the Scheme's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 of the financial statements.

### Environmental regulation

The operations of the Scheme are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

## Directors' report (continued)

### Details of reporting period

The Scheme was constituted on 20 April 2016 and commenced its operations on 14 October 2016. The reporting period covers the period from 14 October 2016 to 30 June 2017, hence there is no comparative information.

### Rounding of amounts

The Scheme is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest dollar, 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 5.

This report is made in accordance with a resolution of the Directors of OneVue RE Services Limited, the Responsible Entity.

On behalf of the Directors



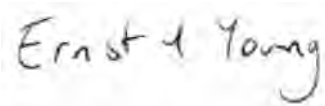
Nigel Stokes  
Director, OneVue RE Services Limited

Sydney  
27 September 2017

## Auditor's Independence Declaration to the Directors of OneVue RE Services Limited as Responsible Entity for Bateau Global Opportunities Fund

As lead auditor for the audit of Bateau Global Opportunities Fund for the financial period from 14 October 2016 to 30 June 2017, 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Ernst & Young



Rohit Khanna  
Partner  
Sydney  
27 September 2017

**Statement of comprehensive income**

	Notes	Period from 14 October 2016 commence date to 30 June 2017 \$
<b>Investment income</b>		
Interest income		3,123
Net foreign exchange gain/(loss)		508
Net gains/(losses) on financial assets held at fair value through profit or loss	-1	<u>471,175</u>
<b>Total net investment income</b>		<u>474,806</u>
<b>Expenses</b>		
Management fees	12	57,325
Performance fees	12	64,512
Administration fees		10,236
Expense recovery fees	12	10,236
Auditor's remuneration	5	-
Other operating expenses		<u>360</u>
<b>Total operating expenses</b>		<u>142,669</u>
<b>Net profit attributable to unitholders before finance costs</b>		<u>332,137</u>
<b>Finance costs attributable to unitholders</b>		
Distributions to unitholders	8	-
<b>Net loss attributable to unitholders after finance costs</b>		<u>332,137</u>
Other comprehensive income		-
<b>Total comprehensive income for the period</b>		<u>332,137</u>

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

Statement of financial position

	Notes	As at 30 June 2017 \$
<b>Assets</b>		
Cash and cash equivalents	7	1,452,898
Receivables	9	414,033
Financial assets held at fair value through profit or loss	8	<u>8,542,291</u>
<b>Total assets</b>		<u>10,409,222</u>
<b>Liabilities</b>		
Payables	10	<u>84,622</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u>84,622</u>
<b>Net assets attributable to unitholders – liability</b>	11	<u>10,324,600</u>

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



Bateau Global Opportunities Fund  
**Statement of changes in net assets attributable to unitholders**  
For the period from 14 October 2016 (date of commencement) to 30 June 2017

**Statement of changes in net assets attributable to unitholders**

	Notes	Period from 14 October 2016 commence date to 30 June 2017 \$
Opening balance		-
Applications	11	10,029,520
Redemptions	11	<u>(37,057)</u>
		<u>9,992,463</u>
<b>Total Comprehensive Income/(Loss) for the period</b>		<u>332,137</u>
<b>Net assets attributable to unitholders</b>		<u>10,324,600</u>

The above statement of changes in net assets attributable to unitholders should be read in conjunction with the accompanying notes.

## Statement of cash flows

	Notes	Period from 14 October 2016 commence date to 30 June 2017 \$
<b>Cash flows from operating activities</b>		
Purchase of financial instruments held at fair value through profit or loss		(8,071,116)
Net receipts/(payments) for investment activities		22,186
Interest income received		2,725
Management fees paid		(35,794)
Performance fees paid		(29,330)
Administration fees paid		(5,391)
Expense recovery fees paid		(6,391)
Other expenses paid		(3,145)
<b>Net cash inflow/(outflow) from operating activities</b>	13 (a)	<u>(8,127,256)</u>
<b>Cash flows from financing activities</b>		
Applications received		9,618,670
Redemptions paid		(16,838)
<b>Net cash (outflow)/inflow from financing activities</b>		<u>9,601,832</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		1,474,576
Cash and cash equivalents at the beginning of the period		-
Effects of foreign currency exchange rate changes on cash and cash equivalents		(21,678)
<b>Cash and cash equivalents at the end of the period</b>	7, 13 (b)	<u>1,452,898</u>

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

## Notes to the Financial Statements

### 1 General information

These financial statements cover Bateau Global Opportunities Fund (the "Scheme") as an individual entity and the financial statements are presented in Australian dollars. The Scheme was constituted on 20 April 2016 and was registered with the Australian Securities and Investments Commission (ASIC) on the same date. The Scheme commenced its operations on 14 October 2016.

The Responsible Entity of the Scheme is OneVue RE Services Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 5, 10 -14 Spring Street, Sydney, NSW 2000.

The Responsible Entity is incorporated and domiciled in Australia.

Bateau Asset Management Pty Ltd (ABN 14 161 051 243), a boutique funds management company, is the Investment Manager of the Scheme.

The Scheme intends to invest in a number of underlying funds. Investing in underlying funds means the Scheme can be exposed to a broad range of investments and asset classes including the following: managed funds (listed and unlisted), exchange traded funds, Australian and international equities, listed property trusts, Australian and international bonds, fixed income, listed and over the counter derivatives, and cash.

The Scheme aims to deliver investors with returns of 8% to 11% per annum, after management and administration fees and ordinary expenses, over a rolling 5 years period.

The financial statements were authorised for issue by the Directors on 27 September 2017. The Directors of the Responsible Entity have the power to amend the financial statements after they have been issued.

### 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 periods presented, unless otherwise stated in the following text.

#### (a) Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with the Scheme's Constitution, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. These financial statements are presented in Australian Dollars, which is the Scheme's functional and presentation currency.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets. The amount expected to be recovered or settled in relation to these balances cannot be reliably determined.

#### *Compliance with International Financial Reporting Standards (IFRS)*

The financial statements of the Scheme also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### (b) Financial instruments

##### (i) Classification

The Scheme's investments are categorised as at fair value through profit or loss. They comprise:

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold. These are managed funds (listed and unlisted), exchange traded funds, Australian and international equities, listed property trusts, Australian and international bonds, fixed income, listed and over the counter derivatives, and cash.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy as outlined in the Product Disclosure Statement. The Scheme's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

## 2 Summary of significant accounting policies (continued)

### (b) Financial instruments (continued)

#### (ii) Recognition/derecognition

The Scheme recognises financial assets and financial liabilities on the date it becomes a party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the Scheme has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

#### (iii) Measurement

##### (a) Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Scheme measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

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 that are not traded in an active market are determined using valuation techniques. The Scheme uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For further details on how the fair value of financial instruments is determined, please see Note 3(e).

##### (b) Receivables

Receivables are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses, if any. Such assets are reviewed at each reporting date to determine whether there is objective evidence of impairment.

If any such indication of impairment exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent year the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write down, the write down is reversed through the statement of comprehensive income.

##### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset in the statement of financial position.

### (c) Net Assets attributable to unitholders

Net assets attributable to unitholders comprise units on issue and undistributed reserves. Net assets attributable to unitholders are classified as financial liabilities and not as equity because the Responsible Entity has contractual obligation to pay distributable income to unitholders and units are redeemable at the unitholders' option. As there are no equity holders, total comprehensive income attributable to unitholders and equity for Scheme are nil.

The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance date if unitholders exercised their right to redeem their units.

### (d) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Scheme's main income-generating activity.

## 2 Summary of significant accounting policies (continued)

### (e) Investment income

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit and loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b).

Net gains or losses on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at year end and the fair value at the previous valuation point. Net gains or losses do not include interest income.

### (f) Expenses

All expenses, including management and performance fees, are recognised in the statement of comprehensive income on an accruals basis.

### (g) Income tax

Under current legislation, the Scheme is not subject to income tax provided the taxable income of the Scheme is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Scheme).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Scheme is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Scheme to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

### (h) Distributions

In accordance with the Scheme's Constitution, the Scheme distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. Distributions are payable at the end of each financial year. Such distributions are determined by reference to the taxable income of the Scheme.

Distributable income includes capital gains arising from the disposal of assets.

Distributions do not include unrealised gains and losses on the net value of investments, accrued income not yet assessable, expenses provided for or accrued but not yet deductible and realised capital losses which are retained to offset future realised capital gains.

The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

### (i) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in profit or loss as finance costs.

### (j) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the Scheme's financial statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme's presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/ (losses) on financial instruments held at fair value through profit or loss.

## 2 Summary of significant accounting policies (continued)

### (k) Due from and to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by year end. Trades are recorded on trade date, and normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Scheme will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, and the probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

### (l) Receivables

Receivables may include amounts for interest. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 2(d). Amounts are generally received within 30 days of being recorded as receivables.

Receivables also include such items as Reduced Input Tax Credits (RITC) and application monies receivable from unitholders.

### (m) Payables

Payables include liabilities, amounts due to brokers and accrued expenses owing by the Scheme which are unpaid as at the end of the reporting period.

### (n) Applications and redemptions

Applications received for units in the Scheme are recorded net of any entry fees payable prior to the issue of units in the Scheme. Redemptions from the Scheme are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets of the Scheme divided by the number of units on issue.

### (o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Scheme by third parties such as audit fees, custodial services and investment management fees have been passed onto the Scheme. The Scheme qualifies for RITC and fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### (p) Use of estimates

The Scheme makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Scheme's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

### (q) New and amended standards adopted by the Scheme

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2016 that have a material impact on the Scheme.

## 2 Summary of significant accounting policies (continued)

### (r) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been early adopted by the Scheme. The directors' assessment of the impact of these new standards (to the extent relevant to the Scheme) and interpretations is set out below:

- AASB 9 Financial Instruments (and applicable amendments) (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Scheme's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not been changed from the previous requirements, and the Scheme does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Scheme's investments are held at fair value through profit or loss, the change in impairment rules will not have a material impact the Scheme. The Scheme will adopt the standard from 1 July 2018.

- AASB 15 Revenue from Contracts with Customers (effective from 1 January 2018)

AASB 15 will replace AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Scheme's main sources of income are interest, dividends and distributions, and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of AASB 15 to have a significant impact on the Scheme's accounting policies or the amounts recognised in the financial statements. The Scheme will adopt the standard from 1 July 2018.

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

### (s) Comparative period

The Scheme was constituted on 20 April 2016 and commenced its operations on 14 October 2016. The reporting period covers the period from 14 October 2016 to 30 June 2017, hence there is no comparative information.

### (t) Rounding of amounts

The Scheme is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest dollar, unless otherwise indicated.

## 3 Financial risk management

### (a) Objectives, strategies, policies and processes

The Scheme's activities expose it to a variety of financial risks: market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed. Financial risk management is carried out by an Investment Manager under policies approved by the Board of Directors of the Responsible Entity ("The Board").

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of price risk.

### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look-through basis for investments held in the Scheme.

### 3 Financial risk management (continued)

#### (b) Market risk (continued)

The sensitivity of the Scheme's equity (and net operating profit or loss) to price risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including the historical correlation of the Scheme's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

##### (i) Equity price risk

Equity price risk is the risk that the fair value of investments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Scheme is exposed to price risk due to its investment in unlisted managed schemes with a market value of \$8,542,291. As at 30 June 2017, if the investment prices had increased by 10% with all other variables held constant, this would have increased net assets attributable to unitholders (and net operating profit or loss) by \$854,229. Conversely, if the investment prices had decreased by 10%, this would have decreased net assets attributable to unitholders (and net operating profit or loss) by \$854,229.

##### (ii) Foreign currency risk

The Scheme operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

The table below summarises the fair value of the Scheme's financial assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar:

	US Dollars	A\$
<b>As at 30 June 2017</b>		
Cash and cash equivalents	1,372,082	
Financial assets held at fair value through profit or loss	<u>8,542,291</u>	
<b>Net exposure</b>		<u>9,914,373</u>

The table at Note 3(b) summarises the sensitivities of the Scheme's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened and strengthened by +/-10% against the material foreign currencies to which the Scheme is exposed.

##### (iii) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The majority of the Scheme's financial assets and liabilities are non-interest bearing which are monitored on a regular basis. As a result, the Scheme is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and equivalents are invested at short-term market interest rates.

The table below summarises the Scheme's exposure to interest rates risk. It includes the Scheme's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity date.

	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest \$	Non-interest Bearing \$	Total \$
<b>30 June 2017</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	1.01%	1,452,898	-	-	1,452,898
Receivables		-	-	414,033	414,033
Financial assets held at fair value through profit or loss		-	-	8,542,291	8,542,291
<b>Total Financial Assets</b>		<u>1,452,898</u>	<u>-</u>	<u>8,956,324</u>	<u>10,409,222</u>



### 3 Financial risk management (continued)

#### (b) Market risk (continued)

##### (iii) Interest rate risk (continued)

30 June 2017	Weighted Average Effective Interest Rate	Floating Interest Rate \$	Fixed Interest \$	Non-interest Bearing \$	Total \$
<b>Financial Liabilities</b>					
Payables		-	-	84,622	84,622
<b>Total Financial Liabilities</b>		-	-	84,622	84,622

The following table shows the effect of interest rate changes on the interest income of the Scheme.

30 June 2017	Change in variable	Sensitivity of interest income Increase/(decrease)	
		+100bps	-100bps
		\$	
	1%/-1%	147	(147)

The sensitivity of the interest income is the effect of the assumed changes in interest rates on the interest income for the period, based on the floating rate financial assets held at 30 June 2017 with all other variables remaining constant.

#### (c) Credit risk

Credit (or counterparty) risk is the risk that a counterparty will fail to perform contractual obligations to a financial instrument and cause the Scheme to incur a financial loss. The credit risk on financial assets, excluding investments, of the Scheme which have been recognised on the statement of financial position, is the carrying amount. The credit risk disclosure have been prepared on the basis of the Scheme's direct investment and not on a look-through basis for investments held directly through unit trusts. As at 30 June 2017 the Scheme's largest counterparty for cash exposure is the Scheme's Custodian, FundBPO Pty Ltd.

The Scheme's exposure to credit risk consists of the following:

	30 June 2017
Cash at Bank	1,452,898
	<u>1,452,898</u>

#### (d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Scheme's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

Under the terms of the Scheme's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units, if the exercise of such discretion is in the best interests of unitholders.

In accordance with the Scheme's policy, the Investment Manager monitors the Scheme's liquidity position on a daily basis, and the Board reviews them on a quarterly basis. Compliance with the Scheme's policy is reported to the Board at least quarterly.

The Scheme invests in unlisted managed investment scheme. Investment in unlisted managed investment scheme expose the Scheme to the risk that the responsible entity of the trust may be unwilling or unable to fulfill redemption requests within the timeframe required by the Scheme. At 30 June 2017, there were no financial assets held at fair value through profit or loss where the Responsible Entity has suspended redemptions due to a lack of liquidity in its underlying funds.

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

##### Maturity analysis for financial liabilities

The table below analyses the Scheme's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

At 30 June 2017	Less than 1 month \$	1-3 months \$	3-12 months \$	12-60 months \$	Total \$
Management fees payable	21,531	-	-	-	21,531
Recoverable fees payable	3,845	-	-	-	3,845
Performance fees payable	35,182	-	-	-	35,182
Administration fees payable	3,845	-	-	-	3,845
Redemptions Payable	20,219	-	-	-	20,219
<b>Total financial liabilities</b>	<b>84,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,622</b>

#### (e) Fair values of financial assets and financial liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The following table presents the Scheme's assets measured and recognised at fair value by level of the following fair value measurement hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

At 30 June 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>				
<i>Designated at fair value through profit or loss</i>				
Managed Schemes	-	8,542,291	-	8,542,291
<b>Total assets</b>	<b>-</b>	<b>8,542,291</b>	<b>-</b>	<b>8,542,291</b>

The fair values of the Scheme's financial assets and liabilities for the periods then ended were determined directly, in full or in part, by reference to quoted prices that were available from various sources, such as exchanges, dealers, brokers, industry groups and pricing services, as on the balance date without any deduction for estimated future selling cost.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Scheme is the current bid price. These instruments are included in level 1.

The Scheme invests in managed schemes. In the absence of a quoted price in an active market, they are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are observable, the Scheme categorises these investments as Level 2.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

**4 Net gains/(losses) on financial assets held at fair value through profit or loss**

	Period from 14 October 2016 commence date to 30 June 2017 §
Net unrealised gain/(loss) on financial assets held at fair value through profit or loss	471,175
Net realised gain/(loss) on financial assets held at fair value through profit or loss	-
<b>Total net gains/(losses) on financial assets held at fair value through profit or loss</b>	<b>471,175</b>

**5 Auditor's remuneration**

During the period, the following fees were paid or payable for services provided by the auditor of the Scheme, Ernst and Young:

	Period from 14 October 2016 commence date to 30 June 2017 §
<i>Audit services</i>	
Audit and review of financial statements	9,476
Compliance plan audit	1,730
<b>Total remuneration for audit services</b>	<b>11,206</b>
<i>Tax services</i>	
<b>Total remuneration for tax services</b>	<b>7,100</b>
<b>Total remuneration of auditors</b>	<b>18,306</b>

Fees for audit and non-audit services are paid directly by the Responsible Entity.

**6 Distributions to unitholders**

There were no distributions declared for the period ended 30 June 2017.

**7 Cash and cash equivalents**

	As at 30 June 2017 §
Cash at bank	1,452,898
	<b>1,462,898</b>

## 8 Financial assets held at fair value through profit or loss

	As at 30 June 2017 \$
<b>Financial assets at fair value through profit or loss</b>	
<i>Financial instruments designated at fair value through profit or loss</i>	
Managed Schemes	8,542,291
<b>Total financial assets designated at fair value through profit or loss</b>	<b>8,542,291</b>

## 9 Receivables

	As at 30 June 2017 \$
Applications receivable	410,850
Interest receivable	398
RITC receivable	2,785
<b>Total receivables</b>	<b>414,033</b>

## 10 Payables

	As at 30 June 2017 \$
Management fees payable	21,531
Recoverable fees payable	3,845
Performance fees payable	35,182
Administration fees payable	3,845
Redemptions payable	20,219
<b>Total payables</b>	<b>84,622</b>

## 11 Net assets attributable to unitholders

As stipulated within the Scheme Constitution, each unit represents a right to an individual share in the Scheme and does not extend to a right to the underlying assets of the Scheme. Redemption occur at option of the unitholder, hence they have been classified as liability in the Statement of financial position.

Movements in number of units during the period were as follows:

	Period from 14 October 2016 commence date to 30 June 2017	
	Number	\$
Opening balance	-	-
Applications	9,605,293	10,029,520
Redemptions	(34,810)	(37,057)
Increase/(decrease) in net assets attributable to unitholders	-	332,137
<b>Closing balance</b>	<b>9,570,483</b>	<b>10,324,600</b>

## 11 Net assets attributable to unitholders (continued)

### Capital risk management

The Scheme monitors the level of daily applications and redemptions relative to the liquid assets in the Scheme. The Scheme's strategy was to hold a certain portion of the equity in liquid investments. Liquid assets include cash and cash equivalents, floating rate notes and fixed interest bonds. Under the terms of the Scheme's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units, if the exercise of such discretion is in the best interests of unitholders.

## 12 Related party transactions

### Responsible Entity

The Responsible Entity of the Scheme is OneVue RE Services Limited.

Bateau Asset Management Pty Ltd (ABN 14 161 051 243) is the Investment Manager of the Scheme.

### Key management personnel

#### Directors

Key management personnel includes persons who were Directors of OneVue RE Services Limited at any time during the financial period as follows:

Director	Period of directorship	
Nigel Cameron Stokes	Appointed 8 October 2014	
Brett Marsh	Appointed 13 February 2015	Resigned 17 March 2017
Karen Nila Gibson	Appointed 23 March 2016	
Robert Joseph Brown	Appointed 23 March 2016	Resigned 6 June 2017
Alexander Wise	Appointed 17 March 2017	
Vincent Leo Plant	Appointed 17 March 2017	

#### Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Scheme, directly or indirectly during the period.

### Responsible Entity fees and other transactions

The performance fee is paid on the Scheme and is payable at 15% on any new outperformance over the RBA official target cash rate, calculated and pro-rated monthly, after management fees and ordinary expenses but before any performance fee, with a high water mark.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the period and amounts payable at the end of the period between the Scheme and the Responsible Entity and the Investment Manager were as follows:

	Period from 14 October 2016 commence date to 30 June 2017 \$
Management fees for the period paid/payable to the Investment Manager	57,325
Performance fees for the period paid/payable to the Investment Manager	64,512
Expense recovery fees for the period paid/payable to the Responsible Entity	10,236
Aggregate amounts payable to the Investment Manager at the reporting dates	56,713
Aggregate amounts payable to the Responsible Entity at the reporting dates	3,846

## 12 Related party transactions (continued)

### Related party Scheme's unitholdings

Parties related to the Scheme (including OneVue RE Services Limited, its related parties and other schemes managed by OneVue RE Services Limited), held units in the Scheme as follows:

<i>Number of units held</i>	Period from 14 October 2016 commence date to 30 June 2017		Distributions paid/payable by the Scheme (\$)
	Interest held (%)	Number of units held closing	
OneVue RE Services Limited	0.0010	100	-
Total	0.0010	100	-

### Key management personnel compensation

Payments made from the Scheme to OneVue RE Services Limited do not include any amounts directly attributable to key management personnel remuneration.

### Key management personnel loan disclosures

The Scheme has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

### Other transactions within the Scheme

From time to time, Directors of OneVue RE Services Limited, or their director related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors and are trivial in nature.

Apart from those details disclosed in this note, no key management personnel of the Responsible Entity have entered into a material contract with the Scheme during the period and there were no material contracts involving Directors' interests subsisting at period end.

## 13 Reconciliation of net profit to net cash outflow from operating activities

	Period from 14 October 2016 commence date to 30 June 2017 \$
(a) Reconciliation of net profit to net cash outflow from operating activities	
Net profit for the period	332,137
Purchase of financial instruments held at fair value through profit or loss	(8,071,116)
Net foreign exchange (gain)/loss	(508)
Net receipts/(payments) for investment activities	22,186
Net gains on financial assets held at fair value through profit or loss	(471,175)
Net change in receivables	(3,183)
Net change in payables	64,403
<b>Net cash outflow from operating activities</b>	<b>(8,127,256)</b>

**13 Reconciliation of net profit to net cash outflow from operating activities (continued)**

	As at 30 June 2017 \$
<b>(b) Components of cash and cash equivalents</b>	
Cash as at the end of the financial period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:	
Cash and cash equivalents	1,452,898
	1,452,898
<b>(c) Non-cash financing and investing activities</b>	
During the period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	-
	-

**14 Events occurring after the reporting period**

No significant events have occurred since the reporting period which would impact the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2017 or on the results and cash flows of the Scheme for the period ended on that date.

**15 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2017.

### Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 22 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 Scheme's financial position as at 30 June 2017 and of its performance for the period ended on that date.
- (b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.



Nigel Stokes  
Director, OneVue RE Services Limited

Sydney  
27 September 2017



## Independent Auditor's Report to the Unitholders of Bateau Global Opportunities Fund

### Opinion

We have audited the financial report of Bateau Global Opportunities Fund ("the Scheme"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the period from 14 October 2016 to 30 June 2017, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Scheme is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Scheme's financial position as at 30 June 2017 and of its financial performance for the period ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Scheme 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Information Other than the Financial Statements and Auditor's Report

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of OneVue RE Services Limited (the “Responsible Entity”) are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Scheme’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

## Auditor’s Responsibilities for the Audit of the Financial Report

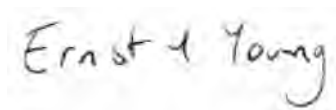
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 Scheme’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ 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 Scheme’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 report 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 Scheme to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



Ernst & Young



Rohit Khanna  
Partner  
Sydney  
27 September 2017