

Fund Outline

Factsheet as at 31 December 2017

The Fund aims to maximise risk-adjusted total returns to investors by identifying and investing in a number of investment funds (underlying funds) with a focus on those assessed to have superior return potential. The Fund will be managed principally by adjusting the mix of underlying funds. Investing in underlying funds means the Fund can be exposed to a broad range of investments and asset classes. The goal is to manage the mix of underlying funds so as to obtain the combination of investment strategies that Bateau Asset Management believes will achieve the Fund's objectives. Initially the Fund will be up to 100% invested in the Ddraig Equity Fund, an underlying unlisted fund domiciled in the Cayman Islands, committed to delivering compelling risk adjusted investment returns with a focus on opportunities across global equities.

The Fund targets a return of 8-11% p.a. after fees and expenses over a period of 5 years.

Performance

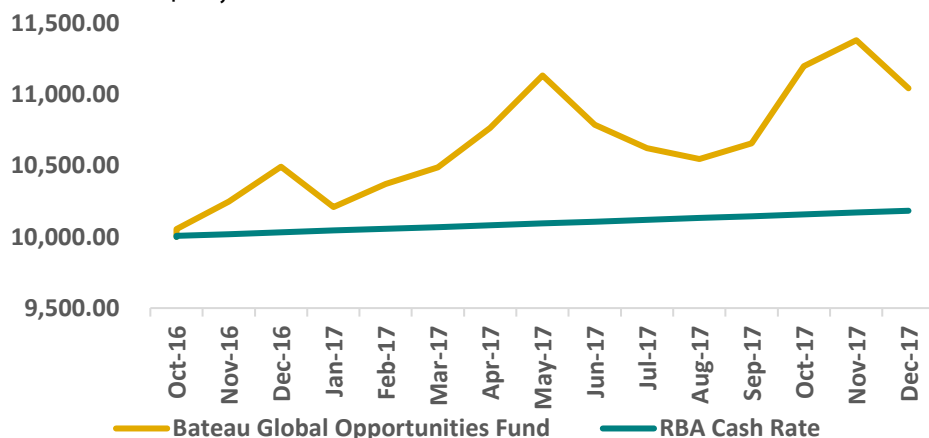
Returns	1 Month %	3 Month %	6 Month %	1 Year p.a. %	3 Year p.a. %	5 Year p.a. %	Since Inception p.a. %
Fund	-2.97	3.63	2.36	5.24	-	-	8.52
RBA Cash Rate	0.13	0.38	0.76	1.51	-	-	1.51
Outperformance	-3.10	3.25	1.61	3.73	-	-	7.01

Notes

¹ Returns are calculated in accordance with the standards set out in the Financial Services Council (FSC) Standard No. 6

² Past performance is not a reliable indicator of future results

Growth of \$10,000 Since Launch



Holdings

Vanguard FTSE All-World ex-US ETF	1.29%
Ddraig Equity Fund Class A Shares	98.31%
Cash	0.40%

Fund Details

Fund Manager	Bateau Asset Management Pty Ltd	Management Fee	1.65%
Responsible Entity	OneVue RE Limited	Buy/Sell Spread	+/- 0.05%
APIR code	SLT0068AU	Indirect Costs	1.82%
Fund ARSN	611 746 975	Performance Fee	15% of performance above the net Hurdle Rate (greater of RBA cash rate or High-Water Mark)
Launch date	14 October 2016	Distributions	Annual
Exit Unit Price	1.1038 (31 December 2017)	Withdrawals	Monthly
Investment Strategy	Global equities, multi-manager, hedge	Min. Investment	A\$10,000
Investment Horizon	5 years+		
Investor Suitability	Long-term view and risk tolerance		
Risk Profile	1 2 3 4 5 6 7		



Market Review

	Units	Month End Value	Price Performance (% Chg)			
			1-day	1-mth	6-mths	1-year
Developed Markets Equities						
ASX 200	AUD	6,038	0.25%	-0.45%	5.54%	7.41%
ASX 200 Futures	AUD	5,981	0.35%	-0.65%	6.80%	10.11%
Dow Jones	USD	26,149	0.28%	5.79%	19.45%	31.64%
S&P 500	USD	2,824	0.05%	5.62%	14.31%	23.91%
Stoxx Europe 600	EUR	395	-0.17%	1.61%	4.66%	9.81%
FTSE 100 (UK)	GBP	7,534	-0.72%	-2.01%	2.19%	6.12%
DAX (Germany)	EUR	13,189	-0.06%	2.10%	8.84%	14.34%
CAC (France)	EUR	5,482	0.15%	3.19%	7.62%	15.44%
Nikkei 225	JPY	23,098	-0.83%	1.46%	15.93%	21.31%
Emerging Markets Equities						
MSCI Emerging Markets	USD	1,255	0.56%	8.30%	17.67%	37.98%
Shanghai Composite	CNY	3,481	-0.21%	5.25%	6.35%	10.18%
South Korea	KRW	2,566	-0.05%	4.01%	6.82%	24.13%
Taiwan	TWD	11,104	0.24%	4.33%	6.49%	17.53%
Brazil	BRL	84,913	0.51%	11.14%	28.81%	31.30%
South Africa	ZAR	52,615	-0.16%	0.16%	7.66%	14.56%
Foreign Exchange						
AUDUSD	Currency	0.8055	-0.35%	3.15%	0.65%	6.20%
AUDGBP	Currency	0.5677	-0.65%	-1.81%	-6.26%	-5.86%
AUDEUR	Currency	0.6489	-0.43%	-0.26%	-3.98%	-7.63%
AUDCNY	Currency	5.10	-0.31%	0.34%	-5.00%	-2.50%
Commodities						
LME ALUMINUM 3MO (\$)	USD/mt	2,220	0.57%	-2.14%	15.72%	22.02%
LME COPPER 3MO (\$)	USD/mt	7,118	0.96%	-1.78%	11.76%	18.81%
LME NICKEL 3MO (\$)	USD/mt	13,600	1.87%	6.58%	33.14%	36.61%
SILVER FUTURE Mar18	USD/oz	17.24	1.07%	0.56%	1.51%	-3.74%
ICE New c Coal FutsMay18	USD/mt	98.00	-3.26%	2.78%	20.47%	37.45%
62% Import Fine Ore in USD	USD/t	72.35	0.00%	2.22%	-0.97%	-13.29%
Gold Spot \$/Oz	USD/oz	1,345	0.49%	3.25%	5.96%	11.10%
WTI Oil	USD/bbl	64.73	0.36%	7.10%	27.98%	16.71%
Wheat	USD/Bu	451.75	-1.20%	5.80%	-4.79%	7.37%
Corn	USD/Bu	361.50	0.00%	3.06%	-2.49%	0.49%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	2.81%	-0.05%	+0.18%	+0.14%	+0.10%
US	USD	2.71%	-0.01%	+0.30%	+0.41%	+0.25%
Germany	EUR	0.70%	+0.01%	+0.27%	+0.15%	+0.26%
Japan	JPY	0.09%	-0.01%	+0.04%	+0.00%	-0.00%
Italy	EUR	2.03%	-0.00%	+0.01%	-0.07%	-0.23%
Australian Rates						
Cash Rate	AUD	1.50%	+0.00%	+0.00%	+0.00%	+0.00%
90-Day BBSW	AUD	1.77%	-0.00%	-0.01%	+0.08%	+0.00%
180-Day BBSW	AUD	1.92%	-0.01%	-0.08%	+0.11%	-0.09%
CBOE Options						
CBOE VIX (Volatility Index)	Index	13.54	-8.45%	22.64%	31.97%	12.93%

Important Information

The information contained in this Fact Sheet is given in good faith and has been derived from sources believed to be reliable and accurate. However, neither Bateau Asset Management Pty Limited ABN 14 161 051 243 (an authorised representative under AFSL 233180) nor any of its employees, Directors or shareholders, gives any warranty of reliability or accuracy and shall not be liable (whether in contract, tort - including negligence, equity or any other basis) for errors or omissions herein, or any loss or damage sustained by any person relying on such information, whatever the cause of loss or damage. Past performance is not a guarantee of future returns. No person, including the Directors of Bateau Asset Management, guarantees the repayment of units in the fund or any returns of units in the fund. Returns can be negative as well as positive and returns over different periods may vary. All fees are stated on a GST exclusive basis. The Responsible Entity of the fund is OneVue RE Services Limited ABN 94 101 103 011 AFSL 223271.

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Global Markets Update

- US markets. US markets were stronger in the month, with the Dow Jones up +5.79% and S&P500 up +5.62%.
- Long-dated US treasury yields were significantly higher, with the 10-Yr yield up +0.30% to 2.71%.
- European markets. European markets were mixed with the Stoxx Europe 600 Index up +1.61%, UK FTSE down -2.01% and German DAX up +2.10%.
- Asian markets. Asian markets were broadly up, with the Nikkei up +1.46%, KOSPI up +4.01%, and the Shanghai Composite gaining +5.25%.
- Commodities. Over the month, WTI oil price rose +7.10% to US\$64.73/bbl, iron ore prices increased +2.22% to US\$72.35 per tonne, whilst spot gold rose +3.25% to US\$1,345 per ounce.
- ASX performance. The ASX200 lost -0.45%, with rate-sensitive sectors like real estate and utilities leading losses.

In political news:

- CPTPP. Despite President Trump withdrawing from the TPP in the first month of his presidency, the remaining countries (inc. Australia, Canada, Japan) look to have agreed upon a renewed trade deal deemed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

In economic news:

- Australian Economy. Rates untouched as no RBA meeting held in January. The unemployment rate was higher in December (at 5.5%) above expectations of 5.4%. CPI, at +1.9%, was below expectations of +2.0%.
- US Economy. US annualised GDP was at +2.6%, below estimates of +3.0%, and was a drop from the previous quarter of +3.2%. The jobless rate remained at 4.1% (in line with expectations). In Janet Yellen's last meeting as chair, the Federal Reserve kept rates unchanged, although they did signal further rate increases through the year, as they saw their 2% inflation target being met.
- Europe economy. Key Eurozone composite economic data came in at estimates, with YoY CPI at +1.4%, YoY GDP growth at +2.7%, and the December Manufacturing Index at 60.6. The ECB governor, Ardo Hansson, also stated in an interview that the bank might halt its net asset purchases after September should growth and inflation estimates continue to be met.
- Asia. China's GDP growth accelerated for the first time in seven years, at +6.8% (vs. an expected +6.7%).

On stock specific news (which caused significant intraday moves during the month):

- A2 Milk (A2M) gained after it announced its US expansion plans, and after infant formula producer Bellamy's highlighted better-than-expected sales in China.
- Galaxy Resources (GXY) fell significantly after a disappointing production update, and also after a report detailing lithium hydroxide prices falling amid rising global supply.

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