

Fund Outline

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.

Factsheet as at 28 February 2019

Performance

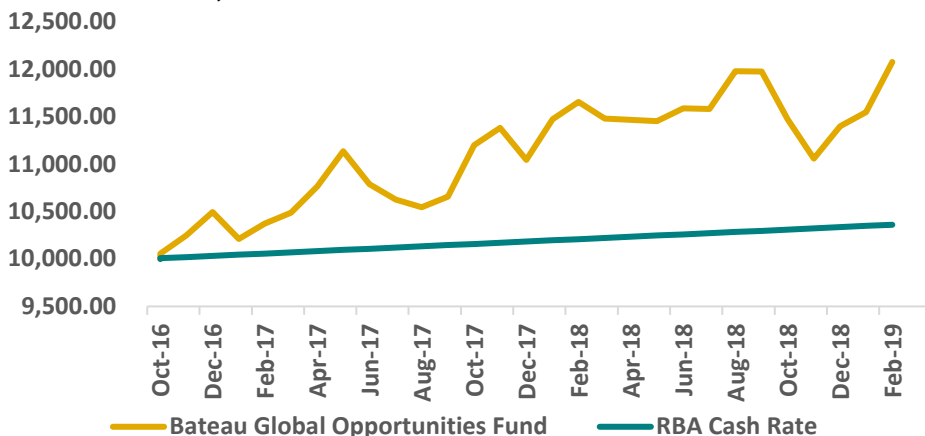
| Returns | 1 Month % | 3 Month % | 6 Month % | 1 Year p.a. % | 3 Year p.a. % | 5 Year p.a. % | Since Inception p.a. % |
|----------------|--------------|--------------|--------------|------------------|------------------|------------------|---------------------------|
| Fund | 4.58 | 9.21 | 0.82 | 3.62 | - | - | 8.26 |
| RBA Cash Rate | 0.11 | 0.37 | 0.74 | 1.50 | - | - | 1.50 |
| Outperformance | 4.46 | 8.84 | 0.08 | 2.12 | - | - | 6.76 |

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 | 1.86% |
| Ddraig Equity Fund Class A Shares | 98.13% |
| Cash | 0.01% |

Fund Details

| | | | |
|----------------------|---|-----------------|--|
| Fund Manager | Bateau Asset Management Pty Ltd | Management Fee | 1.65% |
| Responsible Entity | EQT Responsible Entity Services 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 |
| NAV Unit Price | 1.1615 (28th Feb 2019) | 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 | 6,169 | 0.30% | 5.19% | -2.38% | 2.54% |
| ASX 200 Futures | AUD | 6,149 | 0.29% | 5.94% | -1.66% | 4.66% |
| Dow Jones | USD | 25,916 | -0.27% | 3.67% | -0.19% | 3.54% |
| S&P 500 | USD | 2,784 | -0.28% | 2.97% | -4.03% | 2.60% |
| Stoxx Europe 600 | EUR | 373 | 0.06% | 3.94% | -2.47% | -1.80% |
| FTSE 100 (UK) | GBP | 7,075 | -0.46% | 1.52% | -4.81% | -2.17% |
| DAX (Germany) | EUR | 11,516 | 0.25% | 3.07% | -6.86% | -7.40% |
| CAC (France) | EUR | 5,241 | 0.29% | 4.96% | -3.08% | -1.50% |
| Nikkei 225 | JPY | 21,385 | -0.79% | 2.94% | -6.47% | -3.10% |
| Emerging Markets Equities | | | | | | |
| MSCI Emerging Markets | USD | 1,051 | -0.97% | 0.10% | -0.47% | -12.07% |
| Shanghai Composite | CNY | 2,941 | -0.44% | 13.79% | 7.92% | -9.77% |
| South Korea | KRW | 2,195 | -1.76% | -0.43% | -5.49% | -9.55% |
| Taiwan | TWD | 10,389 | 0.00% | 4.60% | -6.10% | -3.94% |
| Brazil | BRL | 95,584 | -1.77% | -1.86% | 24.66% | 11.99% |
| South Africa | ZAR | 49,667 | -0.58% | 3.57% | -5.33% | -3.34% |
| Foreign Exchange | | | | | | |
| AUDUSD | Currency | 0.7094 | -0.62% | -2.46% | -1.32% | -8.61% |
| AUDGBP | Currency | 0.5349 | -0.27% | -3.59% | -3.59% | -5.18% |
| AUDEUR | Currency | 0.6239 | -0.62% | -1.79% | 0.68% | -1.98% |
| AUDCNY | Currency | 4.75 | -0.34% | -2.55% | -3.41% | -3.69% |
| Commodities | | | | | | |
| LME ALUMINUM 3MO (\$) | USD/mt | 1,911 | -0.57% | 0.05% | -10.07% | -10.37% |
| LME COPPER 3MO (\$) | USD/mt | 6,509 | 0.04% | 5.51% | 8.94% | -6.09% |
| LME NICKEL 3MO (\$) | USD/mt | 13,050 | -0.04% | 4.57% | 1.95% | -5.37% |
| SILVER FUTURE May19 | USD/oz | 15.63 | -0.84% | -3.29% | 6.05% | -7.81% |
| ICE New c Coal Fut May19 | USD/mt | 95.35 | 0.58% | -3.54% | -6.84% | 8.91% |
| 62% Import Fine Ore in USD | USD/t | 81.61 | 0.88% | 2.95% | 31.65% | 7.96% |
| Gold Spot \$/Oz | USD/oz | 1,313 | -0.50% | -0.60% | 9.34% | -0.38% |
| WTI Oil | USD/bbl | 57.22 | 0.49% | 5.88% | -15.69% | 1.04% |
| Henry Hub | USD/mmbtu | 2.97 | 2.77% | 4.21% | 0.34% | 11.65% |
| Corn | USD/Bu | 362.00 | -0.48% | -3.85% | 3.13% | -3.34% |
| Wheat | USD/Bu | 452.50 | -1.84% | -12.39% | -12.73% | -6.60% |
| Fixed Interest | | | | | | |
| 10-Yr Bond Yield | | | | | | |
| Australia | AUD | 2.10% | +0.03% | -0.14% | -0.42% | -0.70% |
| US | USD | 2.72% | +0.03% | +0.09% | -0.15% | -0.15% |
| Germany | EUR | 0.18% | +0.04% | +0.03% | -0.14% | -0.47% |
| Japan | JPY | -0.02% | +0.00% | -0.03% | -0.13% | -0.08% |
| Italy | EUR | 2.75% | -0.03% | +0.16% | -0.48% | +0.78% |
| Australian Rates | | | | | | |
| Cash Rate | AUD | 1.50% | +0.00% | +0.00% | +0.00% | +0.00% |
| 90-Day BBSW | AUD | 1.87% | +0.01% | -0.18% | -0.08% | +0.08% |
| 180-Day BBSW | AUD | 1.99% | -0.01% | -0.18% | -0.15% | +0.03% |
| CBOE Options | | | | | | |
| CBOE VIX (Volatility Index) | Index | 14.78 | 0.54% | -10.80% | 14.93% | -25.54% |

Data as of 28 Feb 2019

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Factsheet as at 28 February 2019

Global Markets Update

- **US markets.** US markets were stronger in the month, with the Dow Jones, S&P500 up +3.67% and 2.97% respectively.
- **Long-dated US treasury yields** climbed higher, with the 2-Yr yield at 2.55% and 10-Yr yield steady at 2.75%.
- **European markets.** European markets closed higher for the month with the Stoxx Europe 600 Index up +3.94%, UK FTSE gained +1.52% and German DAX up +3.07%.
- **Asian markets.** Asian markets were higher over the month, with the Nikkei up +2.94%, KOSPI was down -0.43%, and the Shanghai Composite rose +13.79%.
- **Commodities.** Over the month, WTI oil price jumped +5.88% to US\$57.22/bbl, iron ore prices increased +2.95% to US\$81.61 per tonne, whilst spot gold declined -0.6% to US\$1,313 per ounce.
- **ASX performance.** The ASX200 appreciated by +5.19% to 6,169.

In political news:

- **U.S. & China.** U.S. President Donald Trump said that if he sees progress, he will extend a trade truce with China to avoid more than doubling tariffs on some imports from China at the end of the month. U.S. Trade Representative Robert Lighthizer pegged back expectations for a sweeping trade deal with China, days after U.S. President Trump was reported in the media as suggesting he was ready to sign an accord with the Chinese leader Xi Jinping.
- **U.S. & North Korea.** U.S. President Trump and North Korea's leader Kim Jong Un in Vietnam, however, both were not able to come to an agreement on denuclearisation and economic sanctions.

In economic news:

- **Australian RBA decision.** As widely expected, the RBA left the cash rate unchanged at 1.5%, amid sluggish growth outlook domestically and globally. Reserve Bank of Australia Governor Phillip Lowe noted in a recent speech: "Looking forward, there are scenarios where the next move in the cash rate is up and other scenarios where it is down. Over the past year, the next-move-is-up scenarios were more likely than the next-move-is-down scenarios. Today, the probabilities appear to be more evenly balanced."
- **Australian unemployment rate** (on a seasonally adjusted basis) was steady at 5.0% in January 2019. The participation rate edged higher by 0.1% to 65.7% relative to Jan-18 but was unchanged on the previous month.
- **U.S. rates.** At a recent press conference, U.S. Federal Reserve Chairman signalled a potential pause to hiking rates. U.S. Nevertheless, the market continues to expect two rate hikes in 2019.

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