

# **Orbis Emerging Markets Equity Fund (Australia Registered)**

ARSN 609 031 085

## **Annual Report For the year ended 30 June 2024**

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This annual report covers Orbis Emerging Markets Equity Fund (Australia Registered) as an individual entity.

The Responsible Entity of Orbis Emerging Markets Equity Fund (Australia Registered) 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 Orbis Emerging Markets Equity Fund (Australia Registered) (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2024.

### Principal activities

The Fund invests in emerging markets equities, equity linked securities and currency contracts in accordance with the Fund's Information Memorandum and provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Orbis Investment Management Pty Limited
Administrator	Citigroup Pty Limited
Custodian	Citibank N.A. Hong Kong Branch
Statutory Auditor	Ernst & Young
Unit Registry	SS&C Solutions Pty Ltd*

\*Effective on 1 October 2023 SS&C Technologies Holdings, Inc acquired the managed funds administration business of Iress Limited and the entity name was changed to SS&C Solutions Pty Ltd.

### Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the year and up to the date of this report:

Philip D Gentry	Chairman (resigned 6 June 2024)
Michael J O'Brien	Chairman (appointed 6 June 2024)
Russell W Beasley	
Mary A O'Connor	
David B Warren	
Andrew P Godfrey	(appointed 1 May 2024)

### Review of results and operations

During the year, the Fund continued to invest its funds in accordance with its investment objectives and approach as set out in the current Information Memorandum and the provisions of the Fund's Constitution.

#### Results

	Fund gross return	MSCI Emerging Markets Index with net dividends reinvested (benchmark)
	%	%
Gross of fee return for the year ended 30 June 2024	7.28	12.18

## Directors' report (continued)

### Review of results and operations (continued)

Gross returns for are calculated gross of all income, net of all operating expenses, assume reinvestment of distributions and before any buy/sell spread on applications/redemptions. Gross returns are calculated before the deduction of all management and performance fees.

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

	Year ended	
	30 June 2024	30 June 2023
Profit/(loss) before finance costs attributable to unit holders for the year (\$)	768,336	2,336,880
<b><i>Refundable Reserve Fee Class A1</i></b>		
Distributions paid and payable (\$)	1,023,370	837,392
Distributions (cents per unit)	974.0173	850.0279
Redemption price per unit (\$)	104.3698	106.4985
<b><i>Fee Reserve Class</i></b>		
Distributions paid and payable (\$)	16	2,358
Distributions (cents per unit)	0.1031	16.5169
Redemption price per unit (\$)	0.0104	1.9560

### Indirect Cost Ratio (ICR)

	Year ended	
	30 June 2024	30 June 2023
	%	%
Indirect cost ratio (ICR)	0.38	0.95

The ICR calculation includes fees charged to the Fund during the financial year, including those charged by the Responsible Entity for providing services to the Fund, plus management fees and costs (including performance fees if any), custody fees and administration costs.

Expenses excluded from the ICR calculation are those that would have ordinarily been incurred by a direct investment in the underlying assets of the Fund, such as brokerage, transaction costs and government taxes.

To determine the ICR, the fees are expressed as a percentage of the average net assets of the respective class during the financial year under review. The ICR for the Refundable Reserve Fee Class may be negative due to the refund mechanism of the Investment Manager's fees.

## **Directors' report (continued)**

### **Significant changes in the state of affairs**

Andrew P Godfrey was appointed as a director of Equity Trustees Limited on the 1 May 2024.

Philip D Gentry resigned as a director of Equity Trustees Limited on 6 June 2024.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year.

### **Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may have a significant effect on:

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

### **Likely developments and expected results of operations**

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Fund's Information Memorandum and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund 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**

No insurance premiums were paid out of the assets of the Fund in regard to insurance cover provided to the officers of Equity Trustees Limited. As long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain fully indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

### **Indemnification of auditor**

The Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Fund against a liability incurred as auditor.

### **Fees paid to and interests held in the Fund by the Responsible Entity and its associates**

Fees paid to the Responsible Entity and its associates out of the Fund's property during the year are disclosed in Note 13 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 13 to the financial statements.

## **Directors' report (continued)**

### **Interests in the Fund**

The movement in units on issue in the Fund during the year is disclosed in Note 8 to the financial statements.

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

### **Environmental regulation**

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

### **Rounding of amounts to the nearest dollar**

Amounts in the Directors' report have been rounded to the nearest dollar in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

### **Auditor's independence declaration**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by the Equity Trustees Limited's Board.



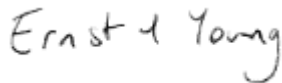
Andrew P Godfrey  
Director

Melbourne  
19 September 2024

## **Auditor's independence declaration to the directors of Equity Trustees Limited as Responsible Entity for Orbis Emerging Markets Equity Fund (Australia Registered)**

As lead auditor for the audit of the financial report of Orbis Emerging Markets Equity Fund (Australia Registered) for the financial year ended 30 June 2024, 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;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.



Ernst & Young



Rohit Khanna  
Partner  
19 September 2024

**Orbis Emerging Markets Equity Fund (Australia Registered)**  
**Statement of comprehensive income**  
**For the year ended 30 June 2024**

**Statement of comprehensive income**

		Year ended	
		30 June 2024	30 June 2023
	Notes	\$	\$
<b>Income</b>			
Dividend and trust distribution income		485,255	386,226
Interest income from financial assets at amortised cost		2,068	4,047
Net gains/(losses) on financial instruments at fair value through profit or loss		430,516	2,081,840
Net foreign exchange gain/(loss)		(514)	(908)
<b>Total income/(loss)</b>		<b>917,325</b>	<b>2,471,205</b>
<b>Expenses</b>			
Management fees and costs	13(g)	70,490	62,948
Transaction costs		16,116	15,309
Dividend withholding taxes		60,042	45,556
Interest expense from financial assets at amortised cost		172	5
Other expenses		2,169	10,507
<b>Total expenses</b>		<b>148,989</b>	<b>134,325</b>
<b>Operating profit/(loss) before finance costs attributable to unit holders for the year</b>		<b>768,336</b>	<b>2,336,880</b>
<b>Finance costs attributable to unit holders</b>			
Distributions to unit holders	9	(1,023,386)	(829,750)
(Increase)/decrease in net assets attributable to unit holders	8	255,050	(1,507,130)
<b>Profit/(loss) for the year</b>		<b>-</b>	<b>-</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>

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



**Orbis Emerging Markets Equity Fund (Australia Registered)**  
**Statement of financial position**  
**As at 30 June 2024**

**Statement of financial position**

		As at	
		30 June 2024	30 June 2023
	Notes	\$	\$
<b>Assets</b>			
Cash and cash equivalents	10	62,254	89,952
Dividends receivable		33,834	20,263
Other receivables		1,539	2,009
Financial assets at fair value through profit or loss	6	12,017,688	11,241,851
<b>Total assets</b>		<b>12,115,315</b>	<b>11,354,075</b>
<b>Liabilities</b>			
Distributions payable	9	1,023,386	829,750
Due to brokers - payable for securities purchased		12,050	56,936
Management fees and costs payable	13(g)	40,579	943
Capital gains tax payable		16,600	18,442
Other payables		1,615	1,586
<b>Total liabilities (excluding net assets attributable to unit holders)</b>		<b>1,094,230</b>	<b>907,657</b>
<b>Net assets attributable to unit holders - liability</b>	8	<b>11,021,085</b>	<b>10,446,418</b>

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

**Orbis Emerging Markets Equity Fund (Australia Registered)**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

**Statement of changes in equity**

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
<b>Total equity at the beginning of the financial year</b>	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	-
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the financial year*</b>	-	-

\*Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year.

*The above statement of changes in equity should be read in conjunction with the accompanying notes with reference to Notes 1, 2 and 8.*

## Statement of cash flows

		Year ended	
		30 June	30 June
	Notes	2024	2023
		\$	\$
<b>Cash flows from operating activities</b>			
Proceeds from maturity of financial instruments at fair value through profit or loss		6,341,248	7,369,492
Payments for purchase of financial instruments at fair value through profit or loss		(6,685,887)	(7,563,334)
Dividends and trust distributions received (net of dividend withholding taxes)		366,073	326,365
Interest income received from assets at amortised cost		2,068	4,047
Management fees and costs paid		(30,854)	(57,852)
Transaction costs paid		(16,116)	(15,309)
Interest expense paid from financial assets at amortised cost		(172)	(5)
Other expenses paid		(3,512)	(194)
<b>Net cash inflow/(outflow) from operating activities</b>	11(a)	(27,152)	63,210
<b>Cash flows from financing activities</b>			
Distributions paid to unit holders		(32)	(28,580)
<b>Net cash inflow/(outflow) from financing activities</b>		(32)	(28,580)
<b>Net increase/(decrease) in cash and cash equivalents</b>		(27,184)	34,630
Cash and cash equivalents at the beginning of the year		89,952	56,230
Effects of foreign currency exchange rate changes on cash and cash equivalents		(514)	(908)
<b>Cash and cash equivalents at the end of the year</b>	10	62,254	89,952
<b>Non-cash operating and financing activities</b>	11(b)	875,286	1,039,586

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

## **Notes to the financial statements**

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## **1 General information**

These financial statements cover Orbis Emerging Markets Equity Fund (Australia Registered) (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 11 November 2015 and will terminate in accordance with 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 financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in emerging market securities and equity linked securities and currency contracts in accordance with the Fund's Information Memorandum 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 financial statements.

## **2 Summary of material 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 years presented, unless otherwise stated in the following text.

### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

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 expected to be recovered or settled within 12 months, except for investments in financial assets and financial liabilities at fair value through profit or loss and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

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

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

## **2 Summary of material accounting policies (continued)**

### **(a) Basis of preparation (continued)**

#### *(ii) New and amended standards adopted by the Fund*

The Fund has applied the following standards and amendments for the first time for its financial year beginning 1 July 2023:

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].

The amendments have had an impact on the Fund's disclosures of accounting policies, including the requirement to disclose 'material' rather than 'significant' accounting policies, but not on the measurement, recognition or presentation of any items in the Fund's financial statements.

None of the other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

#### *(iii) New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

### **(b) Financial instruments**

#### *(i) Classification*

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy as outlined in the Information Memorandum. The Fund's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents, due from brokers and receivables, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

## **2 Summary of material accounting policies (continued)**

### **(b) Financial instruments (continued)**

#### *(i) Classification (continued)*

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost. The Fund includes short-term payables in this category including due to brokers, distributions payable, management fees and costs payable and other payables.

#### *(ii) Recognition and derecognition*

The Fund recognises financial assets and financial liabilities on the date it becomes 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 rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### *(iii) Measurement*

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures a financial asset and a financial liability at its fair value. Transaction costs of financial assets and liabilities 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 within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair value of financial instruments is determined please see Note 5 to the financial statements.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents, due from brokers, receivables and short-term payables are carried at amortised cost.

## **2 Summary of material accounting policies (continued)**

### **(b) Financial instruments (continued)**

#### *(iv) Impairment*

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, due from brokers and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12 month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The expected credit loss ("ECL") approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

#### *(v) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when the Fund has 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.

Financial assets and liabilities that have been offset are disclosed in Note 4 to the financial statements.

### **(c) Net assets attributable to unit holders**

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

The units are classified as financial liabilities as the Fund is required to distribute its distributable income in accordance with the Fund's Constitution.

The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to the unit holders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

Changes in the value of this financial liability are recognised in the statement of comprehensive income as they arise.



## **2 Summary of material accounting policies (continued)**

### **(d) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Fund's main income generating activity.

### **(e) Income**

#### *(i) Interest income*

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Changes in fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

#### *(ii) Dividends and distributions*

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Trust distribution income is recognised on an entitlement basis.

### **(f) Expenses**

All expenses are recognised in the statement of comprehensive income on an accrual basis.

Interest expense from financial assets at amortised cost is recognised using the effective interest method.

As per the Fund's Product Disclosure Statement (PDS), management fees and costs covered management fee and fund expenses such as responsible entity, custody, registry and administration fees and customary professional fees.

### **(g) Income tax**

Under current legislation, the Fund is not subject to income tax as unit holders are presently entitled to the income of the Fund.

The Fund currently incurs withholding and capital gains taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded gross of withholding and capital gains taxes in the statement of comprehensive income. Withholding taxes and capital gains taxes are included in the statement of comprehensive income as an expense.

## **2 Summary of material accounting policies (continued)**

### **(h) Distributions**

The Fund distributes its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

### **(i) Increase/decrease in net assets attributable to unit holders**

Income not distributed is included in net assets attributable to unit holders. As the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

### **(j) Foreign currency translation**

#### *(i) Functional and presentation currency*

Balances included in the Fund'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 Fund competes for funds and is regulated. The Australian dollar is also the Fund'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 the statement of comprehensive income.

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.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments at fair value through profit or loss which is due to changes in foreign exchange rates. Such fluctuations are included in the net gains or losses on financial instruments at fair value through profit or loss.

### **(k) Due from/to brokers**

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

### **(l) Receivables**

Receivables may include amounts for interest, dividends and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

### **(m) Payables**

Payables include liabilities, accrued expenses owed by the Fund and any distributions declared which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

## **2 Summary of material accounting policies (continued)**

### **(n) Applications and redemptions**

The application price of each unit is based on the net asset value plus an allowance for transaction costs (the buy/sell spread) required for acquiring investments. The redemption price of each unit is based on the net asset value less the buy/sell spread required for selling investments. The buy/sell spread is paid to the Fund and is currently set at 0.50%.

### **(o) Goods and services tax (GST)**

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts 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 and judgements**

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or 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 Investment Manager.

The Fund estimates that the resultant expected credit loss ("ECL") derived from using impairment model, has not materially impacted the Fund. Please see Note 3 for more information on credit risk.

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 and judgements. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how fair value is calculated refer to Note 5 to the financial statements.

### **(q) Rounding of amounts**

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

### **(r) Comparative revisions**

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 year.

### **3 Financial risk management**

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Constitution, the Information Memorandum and the investment guidelines of the Fund. The investments of the Fund are managed by a specialist Investment Manager under an Investment Management Agreement ("the IMA") that contains the investment strategy and investment guidelines of the Fund consistent with those stated in the Information Memorandum. By remaining continuously invested in, and exposed to, all the risks and rewards of selected global equities, the Fund seeks higher returns than the average of the world's equity markets, without greater risk.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

#### **(a) Market risk**

##### *(i) Price risk*

The Fund's investment portfolio consists of global equity securities and derivatives, the fair value of which will fluctuate as a result of changes in market prices. Global equity securities are classified in the statement of financial position as held at fair value through profit or loss. All securities held present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

Where financial instruments are denominated in currencies other than the Australian Dollar, the price in the future will also fluctuate because of changes in foreign exchange rates.

The Investment Manager attempts to mitigate price risk through the use of a consistent and carefully considered investment approach based on extensive proprietary investment research, appropriate diversification of investment and equity selection in accordance with the investment guidelines of the

Fund. In constructing the portfolio, the Investment Manager assesses not only each equity's perceived risk and reward but also, in order to manage risk further by appropriate diversification, its correlation with the rest of the portfolio.

The Investment Manager also takes into account the composition of the Fund's performance benchmark, the MSCI Emerging Markets Index (with net dividends reinvested) and monitors the Fund's risk of underperforming its benchmark by comparing the Fund's weighting in each industry, stock market and currency with that in the benchmark and ensuring that deviations in such weightings, which are prompted by detailed "bottom up" research, are not inconsistent with the Investment Manager's "top down" macroeconomic views. In assessing the impact of anticipated changes in market prices, the Investment Manager considers a price movement of +/-15% (2023: +/-15%) to be reasonably possible. The impact of such a price movement on the Fund's operating profit/(loss) and net assets attributable to unit holders at 30 June is set out in Note 3(b). The impact mainly arises from the possible change in the fair value of listed equities as at 30 June 2024 and 30 June 2023.

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (ii) Foreign exchange risk

The Fund holds equity securities denominated in foreign currencies, and receives foreign dividend income from these securities. Foreign exchange risk arises as the value of equity securities denominated in other currencies will fluctuate due to changes in exchange rates. The Fund's currency exposure is not hedged into Australian dollars. For this reason, part of the Investment Manager's research effort is devoted to forecasting currency trends. Taking into account these expected trends, the Investment Manager actively reviews the Fund's currency exposure. Those currencies held but considered vulnerable may to some extent be sold in favour of those considered more attractive, generally using forward currency contracts. The Fund's currency deployment therefore frequently differs significantly from the geographic deployment of its selected equities. The Fund does not designate any forward currency contracts as hedges in a hedging relationship and hence these derivative financial instruments are classified as held at fair value through profit or loss.

The table below summarises the Fund's assets and liabilities which are denominated in these main foreign currencies.

	KRW A\$	HKD A\$	TWD A\$	USD A\$
<b>As at 30 June 2024</b>				
Cash and cash equivalents	26	3,251	-	51,818
Receivables	18,947	7,639	3,034	1,342
Financial assets at fair value through profit or loss	3,718,770	872,563	1,258,589	3,004,818
Due to brokers - payable for securities purchased	-	-	-	(12,050)
Payables	-	-	-	(16,775)
<b>Net exposure</b>	<b>3,737,743</b>	<b>883,453</b>	<b>1,261,623</b>	<b>3,029,153</b>
<b>Notional exposure from forward currency contracts</b>				
- Buy foreign currency	-	-	-	9,902
- Sell foreign currency	-	-	-	(50,338)
<b>Net exposure including forward currency contracts</b>	<b>3,737,743</b>	<b>883,453</b>	<b>1,261,623</b>	<b>2,988,717</b>

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (ii) Foreign exchange risk (continued)

	KRW A\$	HUF A\$	ZAR A\$	USD A\$
<b>As at 30 June 2023</b>				
Cash and cash equivalents	27	4	(2)	31,199
Due from brokers - receivable for securities sold	-	-	-	-
Receivables	4,982	-	-	3,557
Financial assets at fair value through profit or loss	3,124,094	563,174	724,600	3,713,058
Due to brokers - payable for securities purchased	-	-	-	-
Payables	-	-	-	(16,563)
<b>Net exposure</b>	<b>3,129,103</b>	<b>563,178</b>	<b>724,598</b>	<b>3,731,251</b>
<b>Notional exposure from forward currency contracts</b>				
- Buy foreign currency	-	-	-	-
- Sell foreign currency	-	-	-	-
<b>Net exposure including forward currency contracts</b>	<b>3,129,103</b>	<b>563,178</b>	<b>724,598</b>	<b>3,731,251</b>

The summarised sensitivity analysis in Note 3(b) shows the impact of a reasonable possible change of +/- 10% (2023: +/-10%) change in the value of the Australian dollar relative to the main foreign currencies on the Fund's operating profit and net assets attributable to unit holders at the end of the reporting period.

##### (iii) Cash flow and fair value interest rate risk

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Fund to interest rate risk.

### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on the Investment Manager's best estimate, having regard to a number of factors, including historical levels of changes in price risk, historical correlation of the Fund's investments with the MSCI Emerging Markets Index and market volatility. However, actual movements in the risk variables may be greater or lower than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

		<b>Price risk</b>	
		<b>Impact on net assets</b>	
		<b>attributable to unit holders</b>	
		<b>+15%</b>	<b>-15%</b>
		<b>\$</b>	<b>\$</b>
<b>As at 30 June 2024</b>		1,802,644	(1,802,644)
<b>As at 30 June 2023</b>		1,686,278	(1,686,278)

<b>Foreign exchange currency risk</b>								
<b>Impact on net assets</b>								
<b>attributable to unit holders</b>								
	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>
	<b>KRW</b>	<b>KRW</b>	<b>HKD</b>	<b>HKD</b>	<b>TWD</b>	<b>TWD</b>	<b>USD</b>	<b>USD</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at</b>								
<b>30 June 2024</b>	(1,897)	1,897	(1,089)	1,089	(303)	303	1,610	(1,610)
	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>
	<b>KRW</b>	<b>KRW</b>	<b>HUF</b>	<b>HUF</b>	<b>ZAR</b>	<b>ZAR</b>	<b>USD</b>	<b>USD</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>As at</b>								
<b>30 June 2023</b>	(501)	501	-	-	-	-	(1,819)	1,819

### **3 Financial risk management (continued)**

#### **(c) Credit risk**

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

Credit risk arises from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers.

The Investment Manager will seek to reduce the Fund's contractual risk to the extent practicable, for example, by the selection of derivatives and derivatives dealers and instructing the Custodian to arrange for equity transactions to be settled "delivery versus payment" whenever possible. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. None of these assets are impaired.

#### **(d) Liquidity risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests or to fund foreign exchange related cash flow requirements.

The Fund manages its liquidity risk by investing the majority of its assets in investments that are traded in an active market and can be readily disposed of. It invests only a limited proportion of its assets in investments not actively traded on a stock exchange.

The Fund may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during 2024 and 2023.

#### *Maturities of non-derivative financial liabilities*

All non-derivative financial liabilities of the Fund in the current period have maturities of less than one month.



## 4 Offsetting financial assets and financial liabilities

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. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the table below.

	Effects of offsetting on the statement of financial position		
	Gross amounts of financial instruments \$	Gross amounts set off in the statement of financial position \$	Net amount of financial instruments presented in the statement of financial position \$
<b>As at 30 June 2024</b>			
<b>Financial assets</b>			
Forward currency contracts	113	(49)	64
<b>Total</b>	<b>113</b>	<b>(49)</b>	<b>64</b>
<b>Financial liabilities</b>			
Forward currency contracts	49	(49)	-
<b>Total</b>	<b>49</b>	<b>(49)</b>	<b>-</b>
 <b>As at 30 June 2023</b>			
<b>Financial assets</b>			
Forward currency contracts	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>			
Forward currency contracts	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

### **Master netting arrangement**

Forward currency contracts are subject to legally enforceable master netting arrangements, such as an International Swaps and Derivatives Association ("ISDA") master netting agreement. The ISDA agreements in place meet the criteria for offsetting in the statement of financial position as, under the agreement, the Fund has a current legally enforceable right to offset recognised amounts under all circumstances. Accordingly, those contracts that meet the criteria have been offset in the statement of financial position.

## **5 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 6)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

### **(a) Fair value in an active market (level 1)**

The fair value of financial instruments traded in active markets such as publicly traded derivatives and 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.

The quoted market price used for financial assets held by the Fund is the last trade price.

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 instruments 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.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of forward currency contracts is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

## 5 Fair value measurement (continued)

### (b) Fair value in an inactive market (level 2) (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over the counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

### (c) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2024.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at 30 June 2024</b>				
<b>Financial assets</b>				
Forward currency contracts	-	64	-	64
Listed equity securities	12,017,624	-	-	12,017,624
<b>Total financial assets</b>	<b>12,017,624</b>	<b>64</b>	<b>-</b>	<b>12,017,688</b>
<b>As at 30 June 2023</b>				
<b>Financial assets</b>				
Listed equity securities	11,241,851	-	-	11,241,851
<b>Total financial assets</b>	<b>11,241,851</b>	<b>-</b>	<b>-</b>	<b>11,241,851</b>

### (d) Transfers 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.

### (e) Financial instruments not carried at fair value

The financial instruments not measured at fair value through profit or loss include:

- i. Cash and cash equivalents, balances due from/to brokers, distributions payable and other receivables/payables relating to fund expenses. These are short-term financial assets and financial liabilities whose carrying amounts approximate fair value, because of their short-term nature and the high credit quality of counterparties; and
- ii. Net assets attributable to unit holders, as the Fund routinely redeems and issues units at an amount equal to the proportionate share of the Fund's net assets at the time of redemption or issuance of units, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying value of net assets attributable to unit holders approximates their fair value. Any difference is not material in the current year or prior year.

## 6 Financial assets at fair value through profit or loss

	As at	
	30 June 2024	30 June 2023
	\$	\$
Forward currency contracts	64	-
Listed equity securities - Global equities	12,017,624	11,241,851
<b>Total financial assets at fair value through profit or loss</b>	<b>12,017,688</b>	<b>11,241,851</b>

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 5 to the financial statements.

## 7 Derivative financial instruments

In the normal course of business the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments, such as forward currency contracts and warrants. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values, foreign exchange risk or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

## 7 Derivative financial instruments (continued)

The Fund holds the following derivative instruments:

### Forward currency contracts

Forward currency contracts are primarily used by the Fund to assist in managing the Fund's currency exposure. In terms of these contracts, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

The Fund's derivative financial instruments measured at fair value at year end are detailed below:

	Contractual/ notional \$	Assets \$	Liabilities \$
<b>As at 30 June 2024</b>			
Forward currency contracts	-	64	-
<b>Total</b>	-	64	-
<b>As at 30 June 2023</b>			
Forward currency contracts	-	-	-
<b>Total</b>	-	-	-

## 8 Net assets attributable to unit holders - liability

The Fund's units are classified as a liability as they do not meet the definition of a financial instrument to be classified as equity.

The following tables show the movements in the number of units and net assets attributable to unit holders for the respective classes during the year. The operating profit/(loss) of the Fund is allocated to the respective classes as it is earned throughout the period. The timing of cash flows in the classes will have an impact on the total operating profit/(loss) earned by a class during a given period.

Performance fee amounts are transferred from the Refundable Reserve Fee Class to the Fee Reserve Class when the Fund outperforms its benchmark. The amounts transferred to the Fee Reserve Class are available for refund in the event of subsequent underperformance. The Transfer from/(to) Fee Reserve Class disclosed in the tables below refers to the net amount transferred between the Refundable Reserve Fee Classes and the Fee Reserve Class during the year.

	Year ended			
	30 June 2024 Units	30 June 2024 \$	30 June 2023 Units	30 June 2023 \$
<b><i>Refundable Reserve Fee Class A1</i></b>				
Opening balance	97,337	10,418,349	86,017	7,899,586
Applications	-	-	-	-
Redemptions	-	-	-	-
Reinvestment of distributions	7,730	827,359	11,320	1,039,570
Operating profit/(loss) before Investment Manager's fees	-	819,448	-	2,380,514
Investment Manager's fees	-	(51,429)	-	(44,256)
Transfer from/(to) Fee Reserve Class	-	30,565	-	(29,673)
Distributions paid	-	(1,023,370)	-	(827,392)
<b>Closing balance</b>	<b>105,067</b>	<b>11,020,922</b>	<b>97,337</b>	<b>10,418,349</b>
<b><i>Fee Reserve Class</i></b>				
Opening balance	14,279	28,069	12,503	116
Applications	-	-	-	-
Redemptions	-	-	-	-
Reinvestment of distributions	1,200	2,358	1,776	16
Operating profit/(loss) before Investment Manager's fees	-	317	-	622
Investment Manager's fees	-	-	-	-
Transfer from/(to) Fee Reserve Class	-	(30,565)	-	29,673
Distributions paid	-	(16)	-	(2,358)
<b>Closing balance</b>	<b>15,479</b>	<b>163</b>	<b>14,279</b>	<b>28,069</b>
<b>Total net assets attributable to unit holders</b>		<b>11,021,085</b>		<b>10,446,418</b>

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 in the Fund.

There are two classes of units and each unit within the same class has the same rights as all other units within that class. Each class has a different management fee rate.

## 8 Net assets attributable to unit holders – liability (continued)

Units are redeemed on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

### Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a weekly basis due to changes in the value of assets held and because the Fund is subject to weekly applications and redemptions at the discretion of unit holders.

Weekly applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a weekly basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

## 9 Distributions to unit holders

The distributions for the year were as follows:

	Year ended			
	30 June 2024 \$	30 June 2024 CPU	30 June 2023 \$	30 June 2023 CPU
Refundable Reserve Fee Class A1	1,023,370	974.0173	827,392	850.0279
Fee Reserve Class	16	0.1031	2,358	16.5169
<b>Total distributions</b>	<b>1,023,386</b>		<b>829,750</b>	

## 10 Cash and cash equivalents

	As at	
	30 June 2024 \$	30 June 2023 \$
Cash at bank	62,254	89,952
<b>Total cash and cash equivalents</b>	<b>62,254</b>	<b>89,952</b>

## 11 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Increase/(decrease) in net assets attributable to unit holders	(255,050)	1,507,130
Distributions to unit holders	1,023,386	829,750
Proceeds from sale of financial instruments at fair value through profit or loss	6,341,248	7,369,492
Payments for purchase of financial instruments at fair value through profit or loss	(6,685,887)	(7,563,334)
Dividend and trust income reinvested	(45,568)	-
Net (gains)/losses on financial instruments at fair value through profit or loss	(430,516)	(2,081,840)
Net foreign exchange (gain)/loss	514	908
Net change in receivables	(13,101)	(13,797)
Net change in payables	37,822	14,901
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(27,152)</b>	<b>63,210</b>
<b>(b) Non-cash operating and financing activities</b>		
Distribution payments satisfied by the issue of units under the distribution reinvestment plan	829,718	1,039,586
Purchases of investments satisfied by the participation in dividend reinvestment plans	45,568	-
<b>Total non-cash operating and financing activities</b>	<b>875,286</b>	<b>1,039,586</b>

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.



## 12 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of the Fund:

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
<b>Ernst &amp; Young</b>		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	20,818	19,826
<b>Total remuneration for audit and other assurance services</b>	<b>20,818</b>	<b>19,826</b>
<i>Taxation services</i>		
Total compliance services	15,706	15,102
<b>Total remuneration for taxation services</b>	<b>15,706</b>	<b>15,102</b>
<b>Total remuneration of Ernst &amp; Young</b>	<b>36,524</b>	<b>34,928</b>
<b>PricewaterhouseCoopers</b>		
<i>Audit and other assurance services</i>		
Audit of compliance plan	2,400	2,346
<b>Total remuneration for audit and other assurance services</b>	<b>2,400</b>	<b>2,346</b>
<b>Total remuneration of PricewaterhouseCoopers</b>	<b>2,400</b>	<b>2,346</b>

The auditors' remuneration is borne by the Fund. Fees are stated exclusive of GST.

## 13 Related party transactions

The Responsible Entity of Orbis Emerging Markets Equity Fund (Australia Registered) is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to Orbis Investment Management Limited, to act as Investment Manager for the Fund and Citibank N.A. Hong Kong Branch to act as Custodian, SS&C Solutions Pty Ltd to act as Unit Registry for the Fund and Citigroup Pty Limited to act as Administrator for the Fund. The contracts are on normal commercial terms and conditions.

### (a) Key management personnel

#### (i) Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial year and up to the date of this report:

Philip D Gentry	Chairman (resigned 6 June 2024)
Michael J O'Brien	Chairman (appointed 6 June 2024)
Russell W Beasley	
Mary A O'Connor	
David B Warren	
Andrew P Godfrey	(appointed 1 May 2024)

## **13 Related party transactions (continued)**

### **(a) Key management personnel (continued)**

#### *(ii) Responsible Entity*

Other than fees paid to the Responsible Entity, there were no other transactions.

#### *(iii) Other key management personnel*

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial year.

### **(b) Transactions with key management personnel**

There were no transactions with key management personnel during the reporting period.

### **(c) Key management personnel unit holdings**

Key management personnel did not hold any units in the Fund as at 30 June 2024 (30 June 2023: nil).

### **(d) Key management personnel compensation**

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

### **(e) Key management personnel loans**

The Fund 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.

### **(f) Other transactions within the Fund**

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interests existing at year end.

### **(g) Responsible Entity fees, Investment Manager's fees and other transactions**

For the Core Refundable Reserve Fee Class, a management fee, calculated at a tiered rate from 0.20% p.a. to 0.45% p.a. of the Net Asset Value of the Class, is payable on a monthly basis to the Investment Manager.

The Core Refundable Reserve Fee Class may also pay a performance fee calculated based on the Fund performance compared to the Benchmark. Where the Fund beats the Benchmark, 25% of the outperformance is paid into a reserve. Where the Benchmark beats the Fund (i.e. the Fund underperforms), refunds are issued at the same 25% rate from the reserve. The Investment Manager receives payment of the performance fee from the reserve only where the reserve has a positive value, and this amount is capped at 2.0% (per year) of the Class's Net Asset Value.

### 13 Related party transactions (continued)

#### (g) Responsible Entity fees, Investment Manager's fees and other transactions (continued)

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
Management fees and costs for the year	70,490	62,948
Management fees and costs payable at year end	40,579	943

Equity Trustees Limited earned \$3,804 (2023: \$3,181) for the Responsible Entity services to the Fund paid from management fees and costs.

Under the terms of the Fund's Constitution and Product Disclosure Statement, management fees and costs includes responsible entity fees paid to the Responsible Entity, management fees paid to the Investment Manager and other costs (such as custody fees, administration fees and audit fees) paid to other unrelated parties. Please refer to the Fund's Product Disclosure Statement for information on how management fees and costs are calculated.

#### (h) Related party unit holdings

Orbis Investment Management Limited, a Bermudian company, is the Investment Manager of the Fund. Details of transactions during the year, distributions payable for the year, and holdings at the end of the year by the Investment Manager, either directly or indirectly through its associates are shown below:

Unit holder	Number of units held opening	Number of units held closing	Fair value of investment \$	Interest held (% of total Fund)	Number of units acquired	Number of units disposed	Distributions payable by the Fund \$
<b>As at 30 June 2024</b>							
<b><u>Refundable Reserve</u></b>							
<b><u>Fee Class A1</u></b>							
Orbis Capital Limited	97,337	105,067	10,965,816	99.99	7,730	-	1,023,370
<b><u>Fee Reserve Class</u></b>							
Orbis Investment Management Limited	14,279	15,479	161	0.01	1,200	-	16

## 13 Related party transactions (continued)

### (h) Related party unit holdings (continued)

Unit holder	Number of units held opening	Number of units held closing	Fair value of investment \$	Interest held (% of total Fund)	Number of units acquired	Number of units disposed	Distributions payable by the Fund \$
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As at 30 June 2023

#### Refundable Reserve Fee Class A1

Orbis Capital Limited	86,017	97,337	10,366,250	99.72	11,320	-	827,392
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#### Fee Reserve Class

Orbis Investment Management Limited	12,503	14,279	27,930	0.28	1,776	-	2,358
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### (i) Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the year (2023: nil).

## 14 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 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

## 15 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2024 and 30 June 2023.

## **Directors' declaration**

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 7 to 35 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 30 June 2024 and of its performance for the financial 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; and
- (c) 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 of Equity Trustees Limited through a delegated authority given by the Equity Trustees Limited's Board.



Andrew P Godfrey  
Director

Melbourne  
19 September 2024

## Independent Auditor's Report to the unitholders of Orbis Emerging Markets Equity Fund (Australia Registered)

### Opinion

We have audited the financial report of Orbis Emerging Markets Equity Fund (Australia Registered) (the Fund), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

- a. Giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its financial performance for the year 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 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 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 report and auditor's report thereon

The directors of the Equity Trustees Limited (Responsible Entity) are responsible for the other information. The other information is the directors' report accompanying the financial 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 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 of the Responsible Entity are responsible for assessing the Fund'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 Fund or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

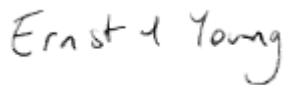
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 skepticism 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 Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Responsible Entity.
- ▶ Conclude on the appropriateness of the directors of the Responsible Entity of the Fund's 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 Fund'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 Fund 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 of the Responsible Entity 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  
19 September 2024