

# **T. Rowe Price Global Focused Growth Equity Fund**

ARSN 640 597 673

## **Annual report**

**For the year ended 30 June 2024**

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

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This annual report covers T. Rowe Price Global Focused Growth Equity Fund as an individual entity.

The Responsible Entity of T. Rowe Price Global Focused Growth Equity Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street

Melbourne, VIC 3000.

## Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of T. Rowe Price Global Focused Growth Equity Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2024.

### Principal activities

The investment objective is to increase the value of the Fund's units, over the long term, through growth in the value of the Fund's investments by investing primarily in a diversified portfolio of stocks of companies that have the potential for above average and sustainable rates of earnings growth. The companies may be anywhere in the world, including emerging markets.

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	T. Rowe Price Australia Limited
Custodian and Administrator	JPMorgan Chase Bank, N.A.
Statutory Auditor	PricewaterhouseCoopers

### 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 and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 23.10% (net of fees) for the year ended 30 June 2024. The Fund's benchmark, the MSCI All Country World Index ex-Australia returned 19.08% for the same period.

The Fund's performance is calculated based on the percentage change in the ex-dividend redemption price in the Fund over the period (with any distributions paid during the period reinvested at the ex-dividend Net Asset Value per unit). Returns are disclosed after fees and expenses but before taxes.

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) for the year (\$'000)	17,559	27,455
<b>Distributions - Class O</b>		
Distributions paid and payable (\$'000)	35,190	1,008
Distributions (cents per unit)	144.99	1.58

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

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

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

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

From 1 July 2023, the Fund no longer met the eligibility requirements in order to be classified as a Managed Investment Trust and was no longer governed by the AMIT tax regime. Consequently the units have been reclassified from equity to financial liability effective 1 July 2023, refer to Note 7 for further information.

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 Product Disclosure Statement 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 are paid for out of the assets of the Fund in regard to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

### **Indemnification of auditor**

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

### **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 Fund property during the year are disclosed in Note 14 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 also disclosed in Note 14 to the financial statements.

### **Interests in the Fund**

The movement in units on issue in the Fund during the year is disclosed in Note 7 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 Commonwealth, State or Territory law.

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

### **Rounding of amounts to the nearest thousand dollars**

Amounts in the Directors' report have been rounded to the nearest thousand dollars 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 5.

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



Andrew P Godfrey  
Director

Melbourne  
11 September 2024



## Auditor's Independence Declaration

As lead auditor for the audit of T. Rowe Price Global Focused Growth Equity Fund for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in dark ink, appearing to read 'CJ Cummins', with a long horizontal flourish extending to the right.

CJ Cummins  
Partner  
PricewaterhouseCoopers

Sydney  
11 September 2024

**T. Rowe Price Global Focused Growth Equity Fund**  
**Statement of comprehensive income**  
**For the year ended 30 June 2024**

**Statement of comprehensive income**

		<b>Year ended</b>	
		<b>30 June</b>	<b>30 June</b>
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
Interest income from financial assets at amortised cost		8	24
Dividend income		686	1,189
Trust distribution income		15	46
Net foreign exchange gain/(loss)		(13)	(10)
Net gains/(losses) on financial instruments at fair value through profit or loss		17,081	26,595
Other income		-	1
<b>Total income/(loss)</b>		<b>17,777</b>	<b>27,845</b>
<b>Expenses</b>			
Management fees and costs		56	130
Withholding taxes		101	163
Transaction costs		61	97
<b>Total expenses</b>		<b>218</b>	<b>390</b>
<b>Profit/(loss) before finance costs attributable to unit holders for the year</b>		<b>17,559</b>	<b>27,455</b>
<b>Finance costs attributable to unit holders*</b>			
Distributions to unit holders	8	(35,190)	-
(Increase)/decrease in net assets attributable to unit holders	7	17,631	-
<b>Profit/(loss) for the year</b>		<b>-</b>	<b>27,455</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>27,455</b>

\* Net assets attributable to unit holders are reclassified from equity to liability from 1 July 2023. As a result, the Fund's distributions are no longer classified as distributions paid in the statement of changes in equity, but rather as finance costs in the statement of comprehensive income. Refer to Note 2(c), Note 7 and Note 8 for further details.

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

## Statement of financial position

		As at	
		30 June 2024	30 June 2023
	Note	\$'000	\$'000
<b>Assets</b>			
Cash and cash equivalents	9	156	1,006
Due from brokers - receivable for securities sold		87	254
Receivables	11	94	220
Financial assets at fair value through profit or loss	5	<u>13,675</u>	<u>127,507</u>
<b>Total assets</b>		<u>14,012</u>	<u>128,987</u>
<b>Liabilities</b>			
Due to brokers - payable for securities purchased		84	126
Distributions payable	8	1,714	913
Payables	12	<u>9</u>	<u>8</u>
<b>Total liabilities</b>		<u>1,807</u>	<u>1,047</u>
<b>Net assets attributable to unit holders - liability*</b>	7	12,205	-
<b>Net assets attributable to unit holders - equity*</b>	7	<u>-</u>	<u>127,940</u>

\*Net assets attributable to unit holders are classified as liability at 30 June 2024 and as equity at 30 June 2023. Refer to Note 2(c) for further details.

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



**T. Rowe Price Global Focused Growth Equity Fund**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

**Statement of changes in equity**

	Note	Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000
<b>Total equity at the beginning of the financial year</b>		<b>127,940</b>	122,370
Reclassification due to AMIT tax regime implementation*		(127,940)	-
<b>Total beginning balance</b>		-	-
<b>Comprehensive income for the year</b>			
Profit/(loss) for the year		-	27,455
Other comprehensive income		-	-
<b>Total comprehensive income</b>		-	27,455
<b>Transactions with unit holders</b>			
Applications	7	-	2,225
Redemptions	7	-	(29,305)
Reinvestment of distributions	7	-	6,203
Distributions paid and payable	7	-	(1,008)
<b>Total transactions with unit holders</b>		-	(21,885)
<b>Total equity at the end of the financial year*</b>		-	127,940

\*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, 2c and 7.*

**T. Rowe Price Global Focused Growth Equity Fund**  
**Statement of cash flows**  
**For the year ended 30 June 2024**

**Statement of cash flows**

	Note	Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments at fair value through profit or loss		212,688	145,634
Payments for purchase of financial instruments at fair value through profit or loss		(81,650)	(119,509)
Transaction costs on purchase of financial instruments at fair value		(61)	(100)
Interest income received from financial assets at amortised cost		8	24
Dividends and distributions received		741	1,095
Management fees and costs paid		(70)	(260)
Other expenses paid		-	(21)
<b>Net cash inflow/(outflow) from operating activities</b>	10(a)	<u>131,656</u>	<u>26,863</u>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unit holders		-	2,225
Payments for redemptions by unit holders		(98,866)	(29,305)
Distributions paid to unit holders		<u>(33,627)</u>	<u>(749)</u>
<b>Net cash inflow/(outflow) from financing activities</b>		<u>(132,493)</u>	<u>(27,829)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(837)	(966)
Cash and cash equivalents at the beginning of the year		1,006	1,982
Effect of foreign currency exchange rate changes on cash and cash equivalents		<u>(13)</u>	<u>(10)</u>
<b>Cash and cash equivalents at the end of the year</b>	9	<u>156</u>	<u>1,006</u>
Non-cash operating and financing activities	10(b)	762	6,203

*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 T. Rowe Price Global Focused Growth Equity Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 24 April 2020 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The investment objective is to increase the value of the Fund's units, over the long term, through growth in the value of the Fund's investments by investing primarily in a diversified portfolio of stocks of companies that have the potential for above average and sustainable rates of earnings growth. The companies may be anywhere in the world, including emerging markets.

From 1 July 2023, the Fund no longer met the eligibility requirements in order to be classified as a Managed Investment Trust and was no longer governed by the AMIT tax regime. Consequently the units have been reclassified from equity to financial liability effective 1 July 2023, refer to Note 7 for further information.

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 do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities 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 holders' 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).

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

The Funds 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.

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

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

#### *(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 their 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 their financial assets based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets are managed and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. 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 and derivatives, 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. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

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 (due to brokers, distributions payable, management 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 the 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 the 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 '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.

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

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

#### *(iii) Measurement (continued)*

For further details on how the fair value of financial instruments is determined please see Note 4 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 and receivables are carried at amortised cost.

#### *(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 is 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.

As at the end of the reporting year, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

### **(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 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 units can be put back to the Fund at any time for cash based on the current 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.

### **(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.

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

### **(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.

#### *(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 distributions are recognised on an entitlement basis.

### **(f) Expenses**

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

As per the Fund's Product Disclosure Statement (PDS), management costs include ordinary expenses such as responsible entity fees, investment management fees, custody and administration fees, audit fees and other ordinary expenses, excluding the transactions costs. The total of these ordinary expenses are capped at the rate disclosed in the PDS. If the ordinary expenses exceed the disclosed cap then the Investment Manager will cover the shortfall and reimburse this to the Fund.

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

Under current legislation, the Fund is not subject to income tax provided it attribute the entirety of its taxable income to its unit holders.

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

### **(h) Distributions**

The Fund may distribute 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 Funds' units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statements 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 fund 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.

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

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

#### *(ii) Transactions and balances (continued)*

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 securities and derivative financial instruments that are measured at fair value through profit or loss which is due to changes in foreign exchange rates. Such fluctuations are included in the net gains/(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 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 and accrued expenses owed by the Fund 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.

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

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

### **(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 on to 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 judgments**

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 are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the 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.

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.



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

### **(p) Use of estimates and judgments (continued)**

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.

For more information on how fair value is calculated refer to Note 4 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 thousand dollars, 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 including market risk (which incorporates price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on long equity securities and unit trusts is limited to the fair value of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, T. Rowe Price Australia Limited ("TRP" or the "Investment Manager") under an Investment Management Agreement (IMA) approved by the Responsible Entity and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

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 is exposed to price risk on equity securities or unit trusts listed on recognised stock exchanges. Price risk arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary 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 which are considered a component of price risk.

The Investment Manager uses research and analysis to monitor variables that elevate price risk and to minimize the downside impact of these variables on the Fund's investments. Additionally, the Investment Manager performs regular reviews of both large security positions held across all portfolios and large market exposure for the Fund.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Fund invests moves by +/- 12.5% (2023: +/-15%).

#### *(ii) Foreign exchange risk*

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

The Investment Manager performs regular reviews of currency exposure within the Fund. The Fund may enter into forward currency contracts designed to either hedge currency exposure from portfolio investments, or alternatively increase exposure to preferred foreign currencies.

### 3 Financial risk management (continued)

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

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

The table below summarises the fair value of the Fund's financial assets and liabilities, monetary and non-monetary, which are denominated in these main foreign currencies other than the Australian dollar.

	US Dollars A\$'000	Euro A\$'000	Japanese Yen A\$'000	Danish Krone A\$'000	Indian Rupee A\$'000	All other foreign currencies A\$'000
<b>As at 30 June 2024</b>						
Cash and cash equivalents	154	-	2	-	-	-
Receivables	-	10	1	-	1	14
Due from brokers - receivable for securities sold	87	-	-	-	-	-
Financial assets at fair value through profit or loss	9,318	966	916	416	387	1,672
Due to brokers - payable for securities purchased	<u>(59)</u>	<u>(9)</u>	<u>(15)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
<b>Net exposure</b>	<b>9,500</b>	<b>967</b>	<b>904</b>	<b>416</b>	<b>388</b>	<b>1,685</b>
Net increase/(decrease) in exposure from forward currency contracts (notional principal)	<u>(25)</u>	<u>9</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Net exposure including forward currency contracts</b>	<b>9,475</b>	<b>976</b>	<b>919</b>	<b>416</b>	<b>388</b>	<b>1,686</b>

	US Dollars	Euro	Japanese Yen	British Pounds	Hong Kong Dollars	All other foreign currencies
<b>As at 30 June 2023</b>						
Cash and cash equivalents	972	-	20	-	-	-
Receivables	107	14	-	8	14	25
Due from brokers - receivable for securities sold	254	-	-	-	-	-
Financial assets at fair value through profit or loss	91,404	11,465	7,193	6,041	6,528	4,876
Due to brokers - payable for securities purchased	<u>(85)</u>	<u>-</u>	<u>(14)</u>	<u>(15)</u>	<u>-</u>	<u>(12)</u>
<b>Net exposure</b>	<b>92,652</b>	<b>11,479</b>	<b>7,199</b>	<b>6,034</b>	<b>6,542</b>	<b>4,889</b>
Net increase/(decrease) in exposure from forward currency contracts (notional principal)	<u>(26)</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>12</u>
<b>Net exposure including forward currency contracts</b>	<b>92,626</b>	<b>11,479</b>	<b>7,213</b>	<b>6,034</b>	<b>6,542</b>	<b>4,901</b>

The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened and strengthened by 10% (2023: +/- 10%) against the material foreign currencies to which the Fund is exposed.

##### (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 management's best estimates, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements 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.

	Impact on operating profit/ net assets attributable to unit holders			
	Price risk		Foreign exchange risk	
	+12.5%	-12.5%	+10%	-10%
	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2024</b>	<b>1,709</b>	<b>(1,709)</b>	<b>(18)</b>	<b>18</b>
As at 30 June 2023	19,126	(19,126)	(129)	129

The sensitivity factors for 30 June 2023 were +/-15% for price risk.

#### (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.

The Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents, receivables and amounts due from brokers balances. None of these assets are impaired nor past their due date. The maximum exposure to credit risk is the carrying of these balances as at the reporting date.

##### (i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

##### (ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A-1 (as determined by the S&P) or higher.

#### (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.

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.

### 3 Financial risk management (continued)

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

##### (i) *Maturities of non-derivative financial liabilities*

All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month.

##### (ii) *Maturities of gross settled derivative financial instruments*

The table below analyses the Fund's gross settled derivative financial instruments based on their contractual maturity. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2024</b>					
Forward currency contracts					
Inflows	25	-	-	-	25
(Outflows)	(25)	-	-	-	(25)
<b>Total gross settled derivatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2023</b>					
Forward currency contracts					
Inflows	26	-	-	-	26
(Outflows)	(26)	-	-	-	(26)
<b>Total gross settled derivatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 4 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 5)
- Derivative financial instruments (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.

## **4 Fair value measurement (continued)**

### **(a) Valuations using level 1 inputs**

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, listed equity securities and listed unit trusts) 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 current bid price; the quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

### **(b) Valuations using level 2 inputs**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all material inputs required to fair value an instrument are observable, the instrument is included in level 2.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

Specific valuation techniques using observable inputs used to value financial instruments include:

- Foreign currency forwards are valued at the present value of future cash flows based on the forward exchange rates at the balance sheet date

### **(c) Valuations using level 3 inputs**

The fair value of financial instruments that are determined using valuation techniques that rely on material inputs that are not observable are included in level 3 and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

Specific valuation techniques using observable inputs used to value financial instruments include:

- Securities which are suspended from trading are valued using the last traded price or other valuation techniques (described above) where the investment manager determines that the last traded price no longer reflects the fair value of the securities.
- Private market securities are valued using valuation techniques such as reference to the current fair value or recent transaction prices of substantially similar instruments, market multiples techniques using the applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer or discounted cash flow techniques.

#### 4 Fair value measurement (continued)

##### (d) 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 and 30 June 2023.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2024</b>				
<b>Financial assets</b>				
Listed equity securities	13,010	-	-	13,010
Unlisted equity securities	-	-	665	665
<b>Total financial assets</b>	<b>13,010</b>	<b>-</b>	<b>665</b>	<b>13,675</b>
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2023</b>				
<b>Financial assets</b>				
Listed equity securities	124,874	-	-	124,874
Unlisted equity securities	-	-	1,684	1,684
Listed property trusts	949	-	-	949
<b>Total financial assets</b>	<b>125,823</b>	<b>-</b>	<b>1,684</b>	<b>127,507</b>

##### (e) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period (2023: nil).

##### (f) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the year ended 30 June 2024 and 30 June 2023 by class of financial instrument.

	Unlisted equity securities \$'000
<b>Opening balance - 30 June 2022</b>	2,171
Gains/(losses) recognised in the statement of comprehensive income	(487)
<b>Closing balance - 30 June 2023*</b>	<b>1,684</b>
Sales	(885)
Gains/(losses) recognised in the statement of comprehensive income	(134)
<b>Closing balance - 30 June 2024*</b>	<b>665</b>

\* Includes unrealised gains/(losses) recognised in profit or loss attributable to balances held at the end of the reporting period.

## **4 Fair value measurement (continued)**

### **(f) Fair value measurements using significant unobservable inputs (level 3) (continued)**

#### *(i) Valuation inputs and relationships to fair value*

As level 3 investments are valued using valuation techniques, the resulting valuations are sensitive to a number of unobservable inputs. The unobservable inputs used in the measurement of unlisted equity securities includes:

- comparable transaction prices;
- various comparable market multiples, including enterprise value and projected enterprise value multiples;
- sales, gross profit and other earnings based growth rates;
- cost of capital discount rates; and
- discounts for lack of marketability.

None of the unobservable inputs were individually significant, and there were no significant inter-relations with other unobservable inputs that materially affect the fair values (30 June 2023: Nil).

#### *(ii) Valuation processes*

Investments for which market quotations or market-based valuations are not readily available or deemed unreliable are valued at fair value as determined in good faith by the Investment Manager, in accordance with fair valuation policies and procedures. The objective of any fair value pricing determination is to arrive at a price that could reasonably be expected from a current sale. Financial instruments fair valued by the Investment Manager are primarily private placements, restricted securities, warrants, rights, and other securities that are not publicly traded. Factors used in determining fair value vary by type of investment and may include market or investment specific considerations. The Investment Manager typically will afford greatest weight to actual prices in arm's length transactions, to the extent they represent orderly transactions between market participants, transaction information can be reliably obtained, and prices are deemed representative of fair value. However, the Investment Manager may also consider other valuation methods such as market-based valuation multiples; a discount or premium from market value of a similar, freely traded security of the same issuer; discounted cash flows; yield to maturity; or some combination. Fair value determinations are reviewed on a regular basis and updated as information becomes available, including actual purchase and sale transactions of the investment. Because any fair value determination involves a significant amount of judgment, there is a degree of subjectivity inherent in such pricing decisions, and fair value prices determined by the Investment Manager could differ from those of other market participants.

### **(g) Financial instruments not carried at fair value**

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

- Cash and cash equivalent, balances due from/to brokers and receivables/payables under sale and repurchase agreements. These are short-term financial assets and financial liabilities whose carrying values approximate fair value, because of their short-term nature and the high credit quality of counterparties; and
- 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, 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.

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

	As at	
	30 June	30 June
	2024	2023
	\$'000	\$'000
Listed equity securities	13,010	124,874
Unlisted equity securities	665	1,684
Listed property trusts	-	949
<b>Total financial assets at fair value through profit or loss</b>	<b>13,675</b>	<b>127,507</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 4 to the financial statements.

## 6 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 forwards, futures and options. 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, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

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.

The Fund holds the following derivative:

### Forward currency contracts

Forward currency contracts are primarily used by the Fund to economically hedge against foreign currency exchange rate risks on its non-Australian dollar trading securities. 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.



## 6 Derivative financial instruments (continued)

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

	Contractual/ notional \$'000	Assets \$'000	Liabilities \$'000
<b>As at 30 June 2024</b>			
Forward currency contracts	25	-*	-*
<b>Total derivatives</b>	25	-*	-*
<b>As at 30 June 2023</b>			
Forward currency contracts	26	-*	-
<b>Total derivatives</b>	26	-	-

\*Amount rounded to nearest thousand dollars.

Information about the Fund's exposure to credit risk, foreign exchange risk, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 4 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

## 7 Net assets attributable to unit holders - liability

Prior to 1 July 2023, the Fund classified its net assets attributable to unit holders as equity in accordance with AASB 132. From 1 July 2023, the Fund no longer met the eligibility requirements in order to be classified as a Managed Investment Trust and was no longer governed by the AMIT tax regime. Consequently the units have been reclassified from equity to financial liability effective 1 July 2023.

As a result, the Fund's distributions to unit holders and (increase)/decrease in net assets attributable to unit holders have been classified as finance costs in the statement of comprehensive income.

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	Year ended 30 June 2024		Year ended 30 June 2023	
	Units '000	\$'000	Units '000	\$'000
<b>Class O</b>				
Opening balance	115,773	127,940	136,501	122,370
Applications	-	-	2,255	2,225
Redemptions	(106,231)	(98,866)	(29,904)	(29,305)
Reinvestment of distributions	690	762	6,921	6,203
Distributions paid and payable	-	-	-	(1,008)
Profit/(loss) for the year	-	-	-	27,455
Increase/(decrease) in net assets attributable to unit holders	-	(17,631)	-	-
<b>Closing balance</b>	10,232	12,205	115,773	127,940

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Units are redeemed on demand at the unit holders' 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.

## 7 Net assets attributable to unit holders - liability (continued)

### Capital risk management

The Fund considers their 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 daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily 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.

## 8 Distributions to unit holders

The distributions declared during the year were as follows:

	Year ended 30 June 2024		Year ended 30 June 2023	
	\$'000	CPU	\$'000	CPU
<b>Distributions - Class O</b>				
July	2,359	20.01	-	-
September	1,737	19.12	-	-
October	-	-	43	0.25
November	2,280	25.88	-	-
January	2,323	26.72	-	-
February	24,777	36.51	-	-
May	-	-	52	0.54
June (payable)	1,714	16.75	913	0.79
<b>Total distributions*</b>	<b>35,190</b>	<b>144.99</b>	<b>1,008</b>	<b>1.58</b>

\*Of the total distributions paid by the fund, \$33,476,073 (2023: \$95,104) represents a special distribution due to a unit holder redemption of greater than 5% of the net assets of the Fund. This was to ensure the remaining unit holders in the Fund were not adversely affected by the tax implications that arose from the sale of underlying assets to meet those redemption requirements.

## 9 Cash and cash equivalents

	As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
Cash at bank	-	14
Foreign currency cash at bank	156	992
<b>Total cash and cash equivalents</b>	<b>156</b>	<b>1,006</b>

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

	Year ended	
	30 June 2024	30 June 2023
	\$'000	\$'000
<b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the year	-	27,455
Increase/(decrease) in net assets attributable to unit holders	(17,631)	-
Distributions to unit holders	35,190	-
Proceeds from sale of financial instruments at fair value through profit or loss	212,688	145,634
Payments for purchase of financial instruments at fair value through profit or loss	(81,650)	(119,509)
Net (gains)/losses on financial instruments at fair value through profit or loss	(17,081)	(26,595)
Net foreign exchange (gain)/loss	13	10
Net change in receivables	126	(2)
Net change in payables	<u>1</u>	<u>(130)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>131,656</u></b>	<b><u>26,863</u></b>
<b>(b) Non-cash operating and financing activities</b>		
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plans	<u>762</u>	<u>6,203</u>
<b>Total non-cash operating and financing activities</b>	<b><u>762</u></b>	<b><u>6,203</u></b>

## 11 Receivables

	As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
Dividends receivable	5	46
Withholding tax receivable	22	122
GST receivable	<u>67</u>	<u>52</u>
<b>Total receivables</b>	<b><u>94</u></b>	<b><u>220</u></b>

## 12 Payables

	As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
Management fees and costs payable	<u>9</u>	<u>8</u>
<b>Total payables</b>	<b><u>9</u></b>	<b><u>8</u></b>

### 13 Remuneration of auditor

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

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
<b>PricewaterhouseCoopers</b>		
<i>Audit and other assurance services</i>		
Audit of the financial statements	18,160	17,600
Audit of compliance plan	<u>2,400</u>	<u>2,346</u>
Total auditor remuneration for audit and other assurance services	<u>20,560</u>	<u>19,946</u>
<i>Taxation services</i>		
Tax compliance services	<u>19,187</u>	<u>18,811</u>
Total remuneration for taxation services	<u>19,187</u>	<u>18,811</u>
<b>Total remuneration of PricewaterhouseCoopers</b>	<u>39,747</u>	<u>38,757</u>

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

### 14 Related party transactions

The Responsible Entity of T. Rowe Price Global Focused Growth Equity Fund 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 T. Rowe Price Australia Limited to act as Investment Manager for the Fund, and JPMorgan Chase Bank, N.A. to act as Custodian and 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)

##### (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.

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

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

Key management personnel did not hold units in the Fund as at 30 June 2024 (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 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 management personnel's interests existing at year end.

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

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:

	<b>Year ended</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Responsible Entity fees for the year	<b>24,517</b>	43,400
Responsible Entity fees payable at year end	<b>731</b>	3,288

The management fees are paid directly by unit holders to the Investment Manager. Therefore, no management fees were incurred or payable to the Investment Manager by the Fund during the year (2023: nil).

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, 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**

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) held no units in the Fund as at 30 June 2024 (2023: nil).

### **(i) Investments**

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

## **15 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.

## **16 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 6 to 29 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 the 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 Equity Trustees Limited's Board.



Andrew P Godfrey  
Director

Melbourne  
11 September 2024



## Independent auditor's report

To the unit holders of T. Rowe Price Global Focused Growth Equity Fund

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### Our opinion

In our opinion:

The accompanying financial report of T. Rowe Price Global Focused Growth Equity Fund (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 then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2024
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

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

### Independence

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 & 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.

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### Other information

The directors of Equity Trustees Limited (the Responsible Entity) are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

PricewaterhouseCoopers, ABN 52 780 433 757  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999  
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124  
T: +61 2 9659 2476, F: +61 2 8266 9999

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

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 on the other information that we obtained prior to the date of this auditor's report, 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.

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### **Responsibilities of the directors of the Responsible Entity 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 of the Responsible Entity determines 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 ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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### **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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CJ Cummins'.

CJ Cummins  
Partner

Sydney  
11 September 2024