

# **Antipodes China Fund (formerly known as "Premium China Fund")**

ARSN 116 380 771

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

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## Annual report For the year ended 30 June 2024

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This annual report covers Antipodes China Fund as an individual entity.

The Responsible Entity of Antipodes China 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 Antipodes China Fund (formerly known as "Premium China Fund") (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 companies across a range of market capitalisations listed in Hong Kong, Mainland China, Macau and Taiwan (Greater China) and companies listed on other exchanges, which have significant assets, investments, production activities, trading or other business interests in the Greater China region, or which derive a significant portion of their revenue from the Greater China region in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The Fund may also invest in cash and short term money market instruments, convertible securities issued by listed companies, listed unit trusts, shares in mutual fund corporations and other collective investment schemes, derivatives including both exchange-traded and over-the-counter, and participatory notes.

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 of the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Antipodes Partners Limited *
Statutory Auditor	Ernst & Young
Administrator and Custodian	MUFG Corporate Markets (previously Link Fund Solutions Pty Limited) **

\* Effective 22 April 2024, the control and management of the Premium Funds were acquired by Antipodes Partners Limited.

\*\* Effective 16 May 2024, Link Fund Solutions Pty Limited changed its name to MUFG Corporate Markets.

### Directors

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 -3.73% (net of fees) for the year ended 30 June 2024. The Fund is managed benchmark unaware, and therefore does not operate against a benchmark. In relation to its investment strategy, it uses MSCI China Free Index (denominated in Hong Kong dollars) as a benchmark when calculating performance fees.

The return is calculated as the change in market value, adjusted for incoming and outgoing payments, since the last calculation date (month-end or date of previous transfer to the fund). Sub-periods are geometrically linked when calculating return for longer periods, such as quarterly, annual and year-to-date returns.

**Review and results of operations (continued)**

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

	<b>Year ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2024</b>	<b>2023</b>
Profit/(loss) before finance costs attributable to unit holders for the year (\$'000)	<b>(2,177)</b>	<b>(9,579)</b>

There were no distributions declared for the years ended 30 June 2024 and 30 June 2023.

**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.

The name of the Antipodes China Fund changed from the Premium China Fund on 22 April 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 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 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 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 Fund property during the year are disclosed in Note 15 to the financial statements.

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

**Fees paid to and interests held in the Fund by the Responsible Entity and its associates (continued)**

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 15 to the financial statements.

**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 Commonwealth, State or Territory law.

**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  
25 September 2024



**Building a better  
working world**

Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## **Auditor's independence declaration to the directors of Equity Trustees Limited as Responsible Entity for Antipodes China Fund (formerly known as "Premium China Fund")**

As lead auditor for the audit of the financial report of Antipodes China Fund (formerly known as "Premium China Fund") 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  
Sydney  
Partner  
25 September 2024

**Antipodes China Fund**  
**Statement of comprehensive income**  
**For the year ended 30 June 2024**

**Statement of comprehensive income**

	Year ended	
	30 June 2024	30 June 2023
Note	\$'000	\$'000
<b>Income</b>		
Interest income from financial assets at amortised cost	10	6
Dividend income	1,782	2,064
Net foreign exchange gain/(loss)	(2,058)	(78)
Net gains/(losses) on financial instruments at fair value through profit or loss	(753)	(9,923)
Management fees and costs reimbursement	15	348
Other income	-	76
<b>Total loss</b>	<b>(1,019)</b>	<b>(7,507)</b>
<b>Expenses</b>		
Management fees and costs	975	1,639
Withholding taxes	130	189
Transaction costs	33	36
Other expenses	20	208
<b>Total expenses</b>	<b>1,158</b>	<b>2,072</b>
<b>Loss before finance costs attributable to unit holders for the year</b>	<b>(2,177)</b>	<b>(9,579)</b>
<b>Finance costs attributable to unit holders</b>		
(Increase)/decrease in net assets attributable to unit holders	8	2,177
<b>Profit/(loss) for the year</b>	<b>-</b>	<b>-</b>
Other comprehensive income	-	-
<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.*

**Antipodes China Fund**  
**Statement of financial position**  
**As at 30 June 2024**

**Statement of financial position**

		<b>As at</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>Assets</b>			
Cash and cash equivalents	10	359	1,600
Receivables	12	371	616
Financial assets at fair value through profit or loss	5	39,485	54,142
<b>Total assets</b>		<b>40,215</b>	<b>56,358</b>
<b>Liabilities</b>			
Payables	13	335	736
Financial liabilities at fair value through profit or loss	6	2,221	1,507
<b>Total liabilities (excluding net assets attributable to unit holders)</b>		<b>2,556</b>	<b>2,243</b>
<b>Net assets attributable to unit holders - liability</b>	8	<b>37,659</b>	<b>54,115</b>

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



**Antipodes China Fund**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

**Statement of changes in equity**

	Year ended	
	30 June	30 June
	2024	2023
	\$'000	\$'000
<b>Total equity at the beginning of the financial year</b>	-	-
<b>Comprehensive income for 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 2(c) and 8.*

**Antipodes China Fund**  
**Statement of cash flows**  
**For the year ended 30 June 2024**

**Statement of cash flows**

	Year ended	
	30 June 2024	30 June 2023
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments at fair value through profit or loss	56,393	36,692
Payments for purchase of financial instruments at fair value through profit or loss	(41,367)	(20,897)
Net cash flows from foreign exchange hedging activities	(408)	(3,594)
Interest income received from financial assets at amortised cost	10	6
Dividends received	1,721	2,428
Management fees and costs reimbursement received	143	253
Management fees and costs paid	(1,032)	(1,413)
Other expenses paid	(160)	(327)
<b>Net cash inflow from operating activities</b>	11(a) <b>15,300</b>	13,148
<b>Cash flows from financing activities</b>		
Proceeds from applications by unit holders	1,609	3,801
Payments for redemptions by unit holders	(16,092)	(17,251)
<b>Net cash outflow from financing activities</b>	<b>(14,483)</b>	<b>(13,450)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	817	(302)
Cash and cash equivalents at the beginning of the year	1,600	1,980
Effect of foreign currency exchange rate changes on cash and cash equivalents	(2,058)	(78)
<b>Cash and cash equivalents at the end of the year</b>	10 <b>359</b>	1,600

*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 Antipodes China Fund (formerly known as "Premium China Fund") (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 22 September 2005 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

Effective 22 April 2024, the control and management of the Premium Funds were acquired by Antipodes Partners Limited. Premium China Fund changed its name to Antipodes China Fund.

Effective 16 May 2024, Link Fund Solutions Pty Limited changed its name to MUFG Corporate Markets.

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 companies across a range of market capitalisations listed in Hong Kong, Mainland China, Macau and Taiwan (Greater China) and companies listed on other exchanges, which have significant assets, investments, production activities, trading or other business interests in the Greater China region, or which derive a significant portion of their revenue from the Greater China region in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The Fund may also invest in cash and short term money market instruments, convertible securities issued by listed companies, listed unit trusts, shares in mutual fund corporations and other collective investment schemes, derivatives including both exchange-traded and over-the-counter, and participatory notes.

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).

## **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 financial 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. 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 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.

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

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

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

- 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 (management fees payable, custodian fees payable, redemptions 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 liabilities are 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 fair value. Transaction costs of financial assets and financial 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.

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, receivables, and 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, 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 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 period, 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 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.

### **(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.

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

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

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 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*

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.

### **(f) Expenses**

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

Management fees and costs covers certain ordinary expenses such as Responsible Entity fees, Investment management fees, custodian fees, and administration and audit fees.

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

Under current legislation, the Fund is not subject to income tax provided it distributes the entirety of its taxable income to its unit holders on present entitlement basis.

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 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.



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

### **(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/(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 and dividends. Dividends 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 distributions 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.

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

### **(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 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 are 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(c) 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 please refer to Note 4 to the financial statements.

### **(q) 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.

### **(r) 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.

### **3 Financial risk management**

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk and foreign exchange 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 and debt securities is limited to the fair value of those positions. The maximum loss of capital on forward currency contracts 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, Antipodes Partners Limited, 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 listed or quoted on recognised securities exchanges and derivative securities measured at fair value. 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.

Price risk is managed daily by close monitoring of portfolio movements through:

- investment/product risk - consent from compliance must be obtained before investing in any new products;
- quantitative investment restrictions checking is pre-set in the automated fund management system;
- periodic checking against investment restrictions for any individual portfolio; and
- a restricted list is maintained to avoid conflicts of interest and insider dealing.

The table at Note 3(b) summarises the sensitivity 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 +/- 10% (2023: +/- 10%).

##### *(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 will 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. The Responsible Entity has appointed Antipodes Partners Limited (APL), a specialist currency manager, to undertake a foreign currency overlay program to execute foreign exchange hedging transactions aimed at minimising any non-Australian dollar exposure.

Foreign exchange risk is managed by hedging undesired currency exposure.

### 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 a currency other than the Australian dollar.

	US Dollar A\$'000	Hong Kong Dollar A\$'000	New Taiwan Dollar A\$'000	Chinese Yuan A\$'000
<b>As at 30 June 2024</b>				
Cash and cash equivalents	237	19	-	-
Receivables	11	304	-	-
Financial assets at fair value through profit or loss	<b>4,394</b>	<b>23,553</b>	<b>1,252</b>	<b>8,065</b>
Net exposure	<b>4,642</b>	<b>23,876</b>	<b>1,252</b>	<b>8,065</b>
Net increase/(decrease) in exposure from forward currency contracts (notional principal)	<b>(277)</b>	<b>(9,388)</b>	-	-
<b>Net exposure including forward currency contracts</b>	<b>4,365</b>	<b>14,488</b>	<b>1,252</b>	<b>8,065</b>
<b>As at 30 June 2023</b>				
Cash and cash equivalents	11	359	1,094	6
Receivables	-	366	-	12
Financial assets held at fair value through profit or loss	3,171	46,644	-	4,171
Net exposure	3,182	47,369	1,094	4,189
Net increase/(decrease) in exposure from forward currency contracts (notional principal)	3,713	5,021	-	-
Net exposure including forward currency contracts	6,895	52,390	1,094	4,189

The table at Note 3(b) summarises the sensitivity 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.

The amount disclosed above reflects mark to market value. Refer to Note 7 for the notional values of forward currency contracts.

### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit/(loss) 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 estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates and the historical correlation of the Fund's investments with 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 net assets attributable to unit holders									
	Price risk				Foreign exchange risk					
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
			USD	USD	HKD	HKD	TWD	TWD	CNY	CNY
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2024</b>	<b>3,726</b>	<b>(3,726)</b>	<b>25</b>	<b>(25)</b>	<b>32</b>	<b>(32)</b>	-	-	-	-
As at 30 June 2023	5,264	(5,264)	1	(1)	73	(73)	109	(109)	2	(2)

#### (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 derivative financial instruments, cash and cash equivalents 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 amount of these balances as at the reporting date.

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2024 and 30 June 2023, all receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of A+ or higher and are either callable on demand or due to be settled within 1 week. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

#### (i) Derivative financial instruments

Antipodes Partners Limited is the legal entity responsible for the currency management of the Fund.

Credit risk arises as a result of APL trading currency derivative instruments on behalf of the Fund. APL minimises credit risk by trading with a large panel of counterparties and monitoring this exposure on a daily basis. APL has a rating of at least A+ (2023: at least A+) as determined by Standard and Poor's.

Derivatives traded by APL are subject to legally enforceable master netting arrangements, such as an International Swap and Derivatives Association (ISDA) master netting agreement. The ISDA agreements in place meet the criteria for offsetting in the statement of financial position as the Fund has a currently legally enforceable right of payment netting to net same day, same currency payments and by derivative transaction type.

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

(c) Credit risk (continued)

*(ii) 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.

*(iii) Cash and cash equivalents*

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of at least A+ (2023: at least A+) (as determined by Standard and Poor's rating agency) or higher.

*(iv) Other*

The Fund is not materially exposed to credit risk on other financial assets.

*(v) Maximum exposure to credit risk*

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not 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 liquidity risk by investing the majority of its funds in investments traded in an active market and that can be readily disposed of.

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 redemption during 2024 and 2023.

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

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

Units are redeemed on demand at the unit holders' option. However, the Responsible Entity does not envisage that the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

*(ii) Maturities of net settled derivative financial instruments*

The table below analyses the Fund's net 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.

### 3 Financial risk management (continued)

(d) Liquidity risk (continued)

(ii) *Maturities of net settled derivative financial instruments (continued)*

The Fund had less than \$1,000 for net settled derivative financial instruments as at 30 June 2024.

	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000
As at 30 June 2023				
Net settled derivatives				
Forward currency contracts	-	(1,351)	-	-
Total net settled derivatives	-	(1,351)	-	-

### 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 / liabilities at fair value through profit or loss (see Note 5 and Note 6)
- Derivative financial instruments (see Note 7)

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) *Valuation using level 1 inputs*

The fair values of financial instruments traded in active markets (such as publicly traded derivatives and listed equity securities) are based on their 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.

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.

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

*(b) Valuation using level 2 inputs*

The fair value of financial assets and liabilities 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.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

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 a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

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. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

*(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 and 30 June 2023.

	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>As at 30 June 2024</b>				
<b>Financial assets</b>				
International listed equity securities	37,264	-	-	37,264
Forward currency contracts	-	2,221	-	2,221
<b>Total financial assets</b>	<b>37,264</b>	<b>2,221</b>	<b>-</b>	<b>39,485</b>
<b>Financial liabilities</b>				
Forward currency contracts	-	2,221	-	2,221
<b>Total financial liabilities</b>	<b>-</b>	<b>2,221</b>	<b>-</b>	<b>2,221</b>



#### 4 Fair value measurement (continued)

(c) *Recognised fair value measurements (continued)*

As at 30 June 2023

Financial assets

International listed equity securities	52,587	-	-	52,587
Equity participatory notes	-	1,399	-	1,399
Forward currency contracts	-	156	-	156
<b>Total financial assets</b>	<b>52,587</b>	<b>1,555</b>	<b>-</b>	<b>54,142</b>

Financial liabilities

Forward currency contracts	-	1,507	-	1,507
<b>Total financial liabilities</b>	<b>-</b>	<b>1,507</b>	<b>-</b>	<b>1,507</b>

(d) *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.

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

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

- i. Cash and cash equivalent, and balances due from/to brokers. 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
- 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, 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

	<b>As at</b>	
	<b>30 June</b>	30 June
	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
International listed equity securities	<b>37,264</b>	52,587
Equity participatory notes	-	1,399
Forward currency contracts	<b>2,221</b>	156
<b>Total financial assets at fair value through profit or loss</b>	<b>39,485</b>	54,142

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 Financial liabilities at fair value through profit or loss

	As at	
	30 June	30 June
	2024	2023
	\$'000	\$'000
Forward currency contracts	2,221	1,507
<b>Total financial liabilities at fair value through profit or loss</b>	<b>2,221</b>	<b>1,507</b>

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in Note 3 and Note 4 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 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 instrument:

### 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 denominated 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. The fair value of a forward contract that is not exchange traded is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

## 7 Derivative financial instruments (continued)

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

	<b>Contractual/ notional \$'000</b>	<b>Assets \$'000</b>	<b>Liabilities \$'000</b>
<b>As at 30 June 2024</b>			
Forward currency contracts	143,898	2,221	2,221
<b>Total derivatives</b>	<b>143,898</b>	<b>2,221</b>	<b>2,221</b>
<b>As at 30 June 2023</b>			
Forward currency contracts	68,511	156	1,507
<b>Total derivatives</b>	<b>68,511</b>	<b>156</b>	<b>1,507</b>

Information about the Fund's exposure to credit risk, foreign exchange 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.

## 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.

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

	<b>Year ended</b>		<b>Year ended</b>	
	<b>30 June 2024</b>	<b>30 June 2024</b>	<b>30 June 2023</b>	<b>30 June 2023</b>
	<b>Units '000</b>	<b>\$'000</b>	<b>Units '000</b>	<b>\$'000</b>
Opening balance	30,885	54,115	38,456	77,314
Applications	936	1,609	2,049	3,801
Redemptions	(9,268)	(15,888)	(9,620)	(17,421)
Increase/(decrease) in net assets attributable to unit holders	-	(2,177)	-	(9,579)
<b>Closing balance</b>	<b>22,553</b>	<b>37,659</b>	<b>30,885</b>	<b>54,115</b>

As stipulated within the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to 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 12 months after the end of the reporting period cannot be reliably determined.

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

### 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 regular 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 regular 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

There were no distributions declared for the year ended 30 June 2024 and 30 June 2023.

## 10 Cash and cash equivalents

	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
Cash at bank	359	1,600
<b>Total cash and cash equivalents</b>	<b>359</b>	<b>1,600</b>

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

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

	Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000
Increase/(decrease) in net assets attributable to unit holders	(2,177)	(9,579)
Proceeds from sale of financial instruments at fair value through profit or loss	56,393	36,692
Payments for purchase of financial instruments at fair value through profit or loss	(41,367)	(20,897)
Net (gains)/losses on financial instruments at fair value through profit or loss	753	9,924
Net cash flows from foreign exchange hedging activities	(408)	(3,594)
Net foreign exchange (gain)/loss	2,058	78
Net change in receivables	245	475
Net change in payables	(197)	49
<b>Net cash inflow/(outflow) from operating activities</b>	<b>15,300</b>	<b>13,148</b>

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount for the 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.

**Antipodes China Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**  
**(continued)**

**12 Receivables**

	<b>As at</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividends receivable	315	378
GST receivable	21	60
Management fees and costs reimbursement receivable	-	143
Other receivables	35	35
<b>Total receivables</b>	<b>371</b>	<b>616</b>

**13 Payables**

	<b>As at</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Management fees and costs payable	93	179
Redemptions payable	236	440
Other payables	6	117
<b>Total payables</b>	<b>335</b>	<b>736</b>

## 14 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	15,450	18,025
Total auditor remuneration and other assurance services	15,450	18,025
<i>Taxation services</i>		
Tax compliance services	10,515	12,302
Total remuneration for taxation services	10,515	12,302
<b>Total remuneration of Ernst &amp; Young</b>	<b>25,965</b>	<b>30,327</b>
<b>PricewaterhouseCoopers</b>		
<i>Audit and other assurance services</i>		
Audit of compliance plan	2,400	2,346
Total auditor remuneration and other assurance services	2,400	2,346
<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.

## 15 Related party transactions

The Responsible Entity of Antipodes China Fund (formerly known as "Premium China 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 Antipodes Partners Limited to act as Investment Manager and currency hedging manager, MUFG Corporate Markets to act as Administrator and Custodian. The contracts are on normal terms and conditions.

Effective 22 April 2024, Antipodes Partners Limited assumed control and management of former Premium China Fund.

### (a) Key management personnel

#### (i) Directors

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 the 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 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 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.

**15 Related party transactions (continued)**

(g) Responsible Entity fees, Fund Manager 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, the Fund Manager and the Investment Manager were as follows:

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
Management fees for the year	961,300	1,443,849
Responsible Entity fees for the year	53	37,881
Management fees reimbursement received for the year	-	(347,696)
Management fees payable at year end	93,738	169,158
Responsible Entity fees payable at year end	-	9,874
Management fees reimbursement receivable at year end	-	81,974

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.

Management fees reimbursed represent monies put into the Fund to ensure that the Fund's overall management fees and costs remain within that disclosed in the Product Disclosure Statement.

(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) hold units in the Fund, as follows:

**As at 30 June 2024**

Unit holder	No. of units held opening	No. of units held closing	Fair value of investment (\$)	Interest held (%)	No. of units acquired	No. of units disposed	Distributions payable by the Fund (\$)
Equity Trustees Superannuation Limited ATF AMG Super	3,022	-	-	-	-	(3,022)	-



## 15 Related party transactions (continued)

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

As at 30 June 2023

Unit holder	No. of units held opening	No. of units held closing	Fair value of investment (\$)	Interest held (%)	No. of units acquired	No. of units disposed	Distributions payable by the Fund (\$)
Equity Trustees Ltd ACF Freedom of Choice - Division of AMG Super	36,325	-	-	-	-	(36,325)	-
Equity Trustees Ltd ACF Freedom of Choice Portfolio Choice	4,026	-	-	-	-	(4,026)	-
Equity Trustees Superannuation Limited ATF AMG Super	-	3,022	-	0.01	3,022	-	-

### (i) Investments

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

## 16 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.

## 17 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 32 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  
25 September 2024



Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## **Independent Auditor's Report to the unit holders of Antipodes China Fund (formerly known as "Premium China Fund")**

### **Opinion**

We have audited the financial report of Antipodes China Fund (formerly known as "Premium China Fund") (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 (the 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 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 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 of the Responsible Entity 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 scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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'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.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Rohit Khanna'.

Rohit Khanna  
Partner  
Sydney  
25 September 2024