

Fairlight Global Small & Mid Cap (SMID) Fund

ARSN 629 066 913

Annual report

For the year ended 30 June 2025

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These financial statements cover Fairlight Global Small & Mid Cap (SMID) Fund as an individual entity.

The Responsible Entity of Fairlight Global Small & Mid Cap (SMID) Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150). The Responsible Entity's registered office is Level 14 Angel Place, 123 Pitt Street, Sydney NSW 2000.

Directors' report

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) is the responsible entity (the "Responsible Entity") of Fairlight Global Small & Mid Cap (SMID) Fund (the "Fund"). The directors of the Responsible Entity (the "Directors") present their report together with the financial statements of the Fund for the year ended 30 June 2025.

Principal Activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund invests in a portfolio of global small and mid capitalisation companies drawn from international equity markets outside Australia. The Fund offers a hedged and unhedged class. The Hedged Class aims to mitigate the impact of currency movements using FX forwards.

The Fund was constituted on 10 October 2018 and commenced operations on 1 November 2018.

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.

Directors

The Directors of The Trust Company (RE Services) Limited during and appointed within the year and up to the date of this report are shown below. The Directors were in office for this entire year except where stated otherwise:

Name

Alexis Dodwell
 Glenn Foster
 Vicki Riggio
 Phillip Blackmore Alternate Director for Vicki Riggio

Review and results of operations

During the year, the Fund invested in accordance with the investment objective and guidelines as set out in the governing documents of the Fund and in accordance with the provision of the Fund's Constitution.

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

	Year ended	
	30 June 2025	30 June 2024
Operating profit/(loss) before financing costs (\$'000)	202,841	131,271
Distributions - Class A Ordinary		
Distributions paid and payable (\$'000)	3,330	803
Distributions (cents per unit)	0.7354	0.2257
Distributions - Class B Foundation		
Distributions paid and payable (\$'000)	409	120
Distributions (cents per unit)	0.9639	0.2704
Distributions - Class C		
Distributions paid and payable (\$'000)	338	105
Distributions (cents per unit)	0.7981	0.2772
Distributions - Class I		
Distributions paid and payable (\$'000)	476	41
Distributions (cents per unit)	0.5213	0.1067

There were no distributions for Class H for the year ended 30 June 2025 (30 June 2024: Nil)

Directors' report (continued)

Significant changes in state of affairs

On 24 February 2025, Perpetual Limited announced that the Scheme Implementation Deed, entered into with KKR on 8 May 2024, has been terminated. The ASX announcement made by Perpetual Limited can be found at <https://www.perpetual.com.au/shareholders/asx-announcements/>.

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect:

- (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 governing documents of the Fund and in accordance with 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 and auditors

No insurance premiums are paid for out of the assets of the Fund in regard to the insurance cover provided to either the officers of the Responsible Entity or the auditors of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

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

Fees paid to the Responsible Entity and its associates out of the Fund's property during the year are disclosed in Note 16 of the financial statements.

No fees were paid out of the Fund's property to the Directors of the Responsible Entity during the year.

The number of units in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 16 of the financial statements.

Units in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 10 of 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 of 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

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with the *ASIC Corporations Instrument*, 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 The Trust Company (RE Services) Limited.



Director
The Trust Company (RE Services) Limited

Sydney
15 September 2025



**Shape the future
with confidence**

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Auditor's independence declaration to the directors of The Trust Company (RE Services) Limited as the Responsible Entity of Fairlight Global Small & Mid Cap (SMID) Fund

As lead auditor for the audit of the financial report of Fairlight Global Small & Mid Cap (SMID) Fund for the financial year ended 30 June 2025, 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

Ernst & Young

Jim Chuang
Partner
15 September 2025

Statement of comprehensive income

		Year ended	
		30 June	30 June
		2025	2024
	Notes	\$'000	\$'000
Investment income			
Dividend income		20,905	13,448
Net gains/(losses) on financial instruments at fair value through profit or loss	6	209,147	137,973
Net foreign currency gains/(losses)	15	(121)	(934)
Other investment income		19	62
Total investment income/(loss)		229,950	150,549
Expenses			
Management fees	16	21,883	13,563
Performance fees	16	-	2,369
Administration fees		889	589
Transaction costs		1,549	1,055
Hedging fees		300	277
Other operating expenses		2,488	1,425
Total operating expenses		27,109	19,278
Operating profit/(loss) for the year		202,841	131,271
Finance costs attributable to unitholders			
Distributions to unitholders	11	(4,553)	(1,069)
(Increase)/decrease in net assets attributable to unitholders		(198,288)	(130,202)
Total finance costs attributable to unitholders		(202,841)	(131,271)
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		-	-

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

Statement of financial position

		As at	
		30 June	30 June
		2025	2024
	Notes	\$'000	\$'000
Assets			
Cash and cash equivalents	12	40,735	34,869
Dividends receivable		579	877
Applications receivable		1,290	-
GST receivable		668	417
Due from brokers - receivable for securities sold		3,931	-
Financial assets at fair value through profit or loss	7	1,922,123	1,355,837
Total assets		1,969,326	1,392,000
Liabilities			
Distributions payable	11	4,553	1,069
Performance fee payable	16	-	22
Management fees payable	16	1,962	1,393
Redemptions payable		1,081	-
Administration fee payable		80	56
Due to brokers - payable for securities purchased		1,118	6,673
Other payables		26	28
Financial liabilities at fair value through profit or loss	8	3	3
Total liabilities (excluding net assets attributable to unitholders)		8,823	9,244
Net assets attributable to unitholders – liability	10	1,960,503	1,382,756

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

Statement of changes in equity

	Year ended	
	30 June 2025 \$'000	30 June 2024 \$'000
Total equity at the beginning of the financial year	-	-
Comprehensive income/(loss) for the year		
Profit/(loss) for the year	-	-
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss) for the year	-	-
Transactions with unitholders		
Applications	-	-
Redemptions	-	-
Units issued upon reinvestment of distributions	-	-
Distributions paid and payable	-	-
Total transactions with unitholders	-	-
Total equity at the end of the financial year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year. Changes in net assets attributable to unitholders are disclosed in Note 10.

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

		Year ended	
		30 June	30 June
		2025	2024
	Notes	\$'000	\$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		431,627	179,262
Payments for purchase of financial instruments at fair value through profit or loss		(788,766)	(557,913)
Amount received from/(paid to) brokers for margin		(9,486)	6,673
Dividends received		18,808	11,732
Other investment income received		19	62
Net foreign currency gains/(losses)		(152)	(902)
Performance fees paid		(22)	(2,347)
Management fees paid		(21,314)	(13,011)
Administration fees paid		(865)	(567)
Other operating expenses paid		(2,195)	(1,493)
Net cash inflow/(outflow) from operating activities	13(a)	(372,346)	(378,504)
Cash flows from financing activities			
Proceeds from applications by unitholders		840,657	580,052
Payments for redemptions to unitholders		(461,515)	(180,730)
Distributions paid		(961)	-
Net cash inflow/(outflow) from financing activities		378,181	399,322
Net increase/(decrease) in cash and cash equivalents		5,835	20,818
Cash and cash equivalents at the beginning of the year		34,869	14,083
Effects of foreign currency exchange rate changes on cash and cash equivalents		31	(32)
Cash and cash equivalents at the end of the year	12	40,735	34,869
Non-cash financing activities			
Issue of units under the distribution reinvestment plan	13(b)	108	-

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 Fairlight Global Small & Mid Cap (SMID) Fund (the "Fund") as an individual entity. The Fund was constituted on 10 October 2018 and commenced operations on 1 November 2018. The Fund will terminate in accordance with the provisions of the Fund's Constitution.

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) is the responsible entity of the Fund (the "Responsible Entity"). The Responsible Entity is incorporated and domiciled in Australia, and its registered office is Level 14 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

The investment manager of the Fund is Fairlight Asset Management Pty Ltd (the "Investment Manager").

The Fund invests in a portfolio of global small and mid capitalisation companies drawn from international equity markets outside Australia. The Fund offers a hedged and unhedged class. The Hedged Class aims to mitigate the impact of currency movements using FX forwards. The Fund aims to achieve annualised returns in excess of the benchmark after all fees and expenses measured over a market cycle, which we consider to be 7 years.

The financial statements of the Fund are for the year ended 30 June 2025. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors of the Responsible Entity (the "Directors of the Responsible Entity") on 15 September 2025. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

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

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and financial liabilities at fair value through profit or loss, and net assets attributable to unitholders.

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 twelve months, however, an estimate of that amount cannot be determined as at the year end.

(i) Compliance with International Financial Reporting Standards ("IFRS")

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Fund

The following are the new standards and amendments effective from 1 July 2024:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current [AASB 101]
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback [AASB 101]
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements [AASB 7 & AASB 107]

These amendments did not have any impact on the amounts and disclosures in the financial statements in the prior periods and are not expected to significantly affect the current or future periods.

(iii) New standards, amendments and interpretations effective after 1 July 2025 and have not been early adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

(iii) *New standards, amendments and interpretations effective after 1 July 2025 and have not been early adopted (continued)*

- AASB 18 Presentation and Disclosure in Financial Statements

In June 2024, the AASB issued AASB 18, which replaces AASB 101 *Presentation of Financial Statements*. AASB 18 introduces new requirements for presentation within the statement of comprehensive income, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of comprehensive income into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to AASB 107 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. AASB 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027.

- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 1, AASB 121, AASB 1060]

In October 2023, the AASB issued amendments to AASB 121 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025.

- AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments [AASB 7 & AASB 9]

In July 2024, the AASB issued amendments to AASB 7 Financial Instruments: Disclosures and AASB 9 Financial Instruments. This amendment amends requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance and similar features. It also amends disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026.

The Fund is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements

(b) Financial instruments

(i) Classification

- Financial Assets:

The Fund classifies its investments 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 performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

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

- Financial Liabilities:

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (management fees payable, performance fee payable, administration fee payable, due to brokers, distributions payable and other payables).

(ii) Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

2 Summary of material accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

At initial recognition, the Fund measures financial assets and financial liabilities 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 financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial 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. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

Further details on how the fair value of financial instruments are determined are disclosed in Note 4.

(iv) Impairment

At each reporting date, the Fund shall measure the loss allowance on financial assets at amortised cost (cash and receivables) at an amount equal to the lifetime expected credit losses ("ECL") 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 ECL. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the assets 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.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

As at the end of the reporting year, there are no financial assets or liabilities offset or which could be offset in the Statement of financial position. Refer to Note 5 for further discussion.

(c) Net assets attributable to unitholders

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

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 unitholders.

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. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

The Fund classifies the net assets attributable to unitholders as liabilities as they do not satisfy all the above criteria.

(d) Cash and cash equivalents

Cash comprises deposits held at the custodian bank. Cash equivalents are short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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

(e) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

2 Summary of material accounting policies (continued)

(e) Investment income (continued)

Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of comprehensive income within dividend income when the Fund's right to receive payments is established.

Dividend and distribution 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.

Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

(f) Expenses

All expenses, including management fees, performance fees, administration fees, transaction costs, hedging fees and other operating expenses are recognised in the Statement of comprehensive income on an accrual basis.

(g) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

(h) Distributions

Distributions are payable as set out in the Fund's offering document. Such distributions are determined by the Responsible Entity of the Fund. Distributable income includes capital gains arising from the disposal of financial instruments. Unrealised gains and losses on financial instruments that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised.

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

(i) Increase/decrease in net assets attributable to unitholders

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

(j) Foreign currency translation

(i) Functional and presentation currency

Items 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

Assets and liabilities in foreign currencies are translated into the functional currency at the prevailing exchange rate at the valuation date. Transactions denominated in foreign currencies are translated into the functional currency at the prevailing exchange rate on the date of the transaction. 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. The Fund's income earned and expense incurred on foreign denominated balances are translated into the functional currency at the prevailing exchange rate on the date of such activity.

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. Translation differences on assets and liabilities carried at fair value are reported in the Statement of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

(k) Receivables

Receivables may include amounts for interest and dividend income. Interest is accrued at each dealing date in accordance with policy set out in Note 2(e) above. Trust distributions are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

Receivables also include such items as Reduced Input Tax Credit ("RITC") and application monies from unitholders.

Receivables are recognised at amortised cost using the effective interest method, less any allowance for ECL. To measure the ECL, receivables have been grouped based on days overdue.

2 Summary of material accounting policies (continued)

(k) Receivables (continued)

The amount of the impairment loss, if any, is recognised as impairment loss item in the Statement of comprehensive income. 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 impairment loss in impairment loss in the Statement of comprehensive income.

(l) Payables

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting year.

Payables may include amounts for redemptions of units in the Fund where settlement has not yet occurred. These amounts are unsecured and are usually paid within 30 days of recognition.

The distribution amount payable to unitholders as at the end of each reporting year is recognised separately in the Statement of financial position when unitholders are presently entitled to the distributable income under the Fund's Constitution.

(m) 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.

(n) Goods and services tax ("GST")

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodian services and management fees have been passed onto the Fund. The Fund qualifies for RITC at a rate of 55% or 75%, hence Management fees, Administration and custody fees and other expenses have been recognised in the Statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts 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.

(o) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates 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, including unquoted securities are fair valued using valuation techniques determined by the Investment Manager, in accordance with the valuation procedures approved by the Responsible Entity. 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, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require Investment Manager to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other balances reported on Statement of financial position, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(p) Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with the *ASIC Corporations Instrument*, unless otherwise indicated.

(q) 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 consequently measured at amortised cost.

(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

(a) Overview

The Fund's activities expose it to a variety of financial risks. The management of these risks is undertaken by the Fund's Investment Manager who has been appointed by the Responsible Entity under an Investment Management Agreement to manage the Fund's assets in accordance with the Investment Objective and Strategy.

3 Financial risk management (continued)

(a) Overview (continued)

The Responsible Entity has in place a framework which includes:

- The Investment Manager providing the Responsible Entity with regular reports on their compliance with the Investment Management Agreement;
- Completion of regular reviews on the Service Provider which may include a review of the investment managers risk management framework to manage the financial risks of the Fund;
- Regular reporting on the liquidity of the Fund in accordance with the Fund's Liquidity Risk Management Statement.

The Fund's Investment Manager has in place a framework to identify and manage the financial risks in accordance with the investment objective and strategy. This includes an investment due diligence process and on-going monitoring of the investments in the Fund. Specific controls the Investment Manager applies to manage the financial risks are detailed under each risk specified below.

(b) Market risk

Market risk is the risk that changes in market risk factors, such as equity prices, foreign exchange rates, interest rates and other market prices will affect the Fund's income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All securities investments present a risk of loss of capital. The Fund's market price risk is managed through (i) deliberate securities selection, and (ii) diversification of the investment portfolio.

The Fund uses derivatives (including but not limited to forward foreign currency exchange contracts) for speculation in order to implement the investment strategy of the Fund and to manage the risk associated with the fair value of certain investments. The notional or contractual amount of derivatives provides only a measure of the involvement in these types of transactions and does not represent the amounts subject to market price risk. The Fund manages market price risk by establishing limits as to the types and degrees of risk that may be undertaken. Additionally, the Fund monitors the fluctuation in its value and compares these fluctuations to its risk objective.

As at year end, the overall market exposures were as follows:

	Fair value \$'000	% of net asset attributable to unitholders
As at 30 June 2025		
Financial assets		
Listed equities	1,914,998	98%
Forward foreign currency exchange contracts	7,125	0%
Total Financial Assets	1,922,123	
Financial liabilities		
Forward foreign currency exchange contracts	(3)	0%
Total Financial Liabilities	(3)	
As at 30 June 2024		
Financial assets		
Listed equities	1,354,575	98%
Forward foreign currency exchange contracts	1,262	0%
Total Financial Assets	1,355,837	
Financial liabilities		
Forward foreign currency exchange contracts	(3)	0%
Total Financial Liabilities	(3)	

The table in Note 3(c) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Fund invests move by +/- 10% (2024 +/- 10%) from the year end prices with all other variables held constant.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's main interest rate risk arises from its holding of cash and cash equivalents.

3 Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

The majority of the Fund's assets are held in equities which are non-interest bearing securities. Hence, the Fund is not exposed to significant interest rate risk. The impact of interest rate risk on net assets attributable to unitholders and operating profit is considered immaterial to the Fund.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Fund has assets and liabilities denominated in currencies other than Australian dollars, the Fund's functional and presentation currency. The Fund is therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Investment Manager may enter into forward foreign currency exchange contracts from time to time to hedge against the fluctuation in exchange rates.

The table below summarises the Fund's net exposure to different major currencies, including the notional value of forward foreign currency exchange contracts:

	30 June 2025 \$'000	30 June 2024 \$'000
United States Dollar	866,248	641,762
Euro Currency	424,881	253,516
British Pound	507,827	350,430
Hong Kong Dollar	31,724	36,803
Japanese Yen	7	6
Canadian Dollar	35,141	48,777
Danish Krone	22	2
Swedish Krona	65,004	22,038
Swiss Franc	4	83

The table below summarises the impact on net assets attributable to unitholders as a result of increases/decreases of key exchange rates on the exposures tabled above, to which the Fund is exposed. The analysis is based on the assumption that the exchange rates had increased/decreased by the respective percentage with all other variables held constant.

	30 June 2025		30 June 2024
	Change % +/-	Impact (\$'000) +/-	Change % +/-
United States Dollar	15%	129,937/(129,937)	15%
Euro Currency	15%	63,732/(63,732)	15%
British Pound	15%	76,174/(76,174)	15%
Hong Kong Dollar	15%	4,759/(4,759)	15%
Japanese Yen	15%	1/(1)	15%
Canadian Dollar	15%	5,271/(5,271)	15%
Danish Krone	15%	9,751/(9,751)	15%
Swedish Krona	15%	3/(3)	15%
Swiss Franc	15%	1/(1)	15%

This represents the Investment Manager's best estimate of a reasonably possible shift in the foreign exchange rates, having regard to historical volatility of those rates. This increase or decrease in the net assets attributable to unitholders arises mainly from a change in the fair value of financial assets and liabilities at fair value through profit or loss that are denominated in other currencies.

The table at Note 3(c) summarises the sensitivities of the Fund's assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened and strengthened by +/- 15% (2024: +/- 15%) against the material foreign currencies to which the Fund is exposed.

(c) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit/(loss) and net asset attributable to unitholders 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 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 risk variables.

3 Financial risk management (continued)

(c) Summarised sensitivity analysis (continued)

	Price risk		Currency risk	
	-10% \$'000	10% \$'000	-15% \$'000	15% \$'000
As at 30 June 2025	(192,212)	192,212	(289,629)	289,629
As at 30 June 2024	(135,583)	135,583	(203,012)	203,011

(d) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The maximum exposure to credit risk at the end of the reporting year is the carrying amount of the financial assets.

(i) Bank deposits, assets held with the custodian and derivative financial instruments

The Fund's financial assets which are potentially subject to concentrations of credit risk consist principally of bank deposits, assets held with the custodian, derivative financial instruments and the related collateral pledged or received from counterparties.

The custody balance with Apex Fund Services includes cash and cash equivalents of \$40,557,509 (2024: \$34,869,062) and investments in the equities and currency exchange contracts totaling \$1,914,997,324 (2024: \$1,354,574,999) and \$7,125,437 (2024: \$1,262,083) respectively.

The Fund minimises counterparty credit risk through credit limits and approvals, credit monitoring procedures, executing master netting arrangements and managing margin and collateral requirements, as appropriate.

The Fund may record counterparty credit risk valuation adjustments, if material, on certain derivative assets in order to appropriately reflect the credit quality of the counterparty. These adjustments are recorded on the market quotes received from counterparties or other market participants since these quotes may not fully reflect the credit risk of the counterparties to the derivative instruments. The Fund has not recorded any counterparty credit risk valuation adjustments for the year ended 30 June 2025.

The Fund also limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks, and regulated exchanges with high credit ratings and that the Investment Manager considers to be well established.

In the normal course of business, the Fund may enter into agreements with certain counterparties for OTC derivative transactions. A number of the Fund's derivative agreements contain provisions that require the Fund to maintain a predetermined level of capital, and/or provide limits regarding the decline of the Fund's capital over specified time periods. If the Fund were to violate such provisions, the counterparties to the derivative instruments could request immediate payment or demand immediate collateralisation on derivative instruments in net liability positions. If such events are not cured by the Fund or waived by the counterparties, they may decide to curtail or limit extension of credit, and the Fund may be forced to unwind its derivative positions which may result in material losses.

(e) 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 and can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions of units in the Fund. The Fund invests the majority of its assets in investments that are traded in an active market and 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 unitholders. The Fund did not reject or withhold any redemptions during 2025 and 2024.

The table below analyses the Fund's non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period to contractual maturity, as of the reporting year end. The amounts in the table are the contractual undiscounted cash flows. Balances that are due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
As at 30 June 2025					
Distributions payable	4,553	-	-	-	-
Redemptions payable	1,081	-	-	-	-
Management fees payable	1,962	-	-	-	-
Administration fee payable	80	-	-	-	-
Due to brokers - payable for securities purchased	1,118	-	-	-	-
Other payables	26	-	-	-	-
Financial liabilities at fair value through profit or loss	3	-	-	-	-
Net assets attributable to unitholders - liability	1,960,503	-	-	-	-
Total financial liabilities	1,969,326	-	-	-	-

3 Financial risk management (continued)

(e) Liquidity risk (continued)

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
As at 30 June 2024					
Distributions payable	1,069	-	-	-	-
Performance fee payable	22	-	-	-	-
Management fees payable	1,393	-	-	-	-
Administration fee payable	56	-	-	-	-
Due to brokers - payable for securities purchased	6,673	-	-	-	-
Other payables	28	-	-	-	-
Financial liabilities at fair value through profit or loss	3	-	-	-	-
Net assets attributable to unitholders - liability	1,382,756	-	-	-	-
Total financial liabilities	1,392,000	-	-	-	-

4 Fair value measurement

The Fund measures and recognises the financial assets and liabilities at fair value on a recurring basis.

- Financial assets at fair value through profit or loss ("FVTPL") (see Note 7)
- Financial liabilities at fair value through profit or loss ("FVTPL") (see Note 8)
- Derivative financial instruments (see Note 9)

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

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value 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).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting year without any deduction for estimated future selling costs.

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

The quoted market price used to fair value financial assets and financial liabilities held by the Fund is the last-traded prices.

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.

(ii) Valuation techniques used to derive level 2 fair value

The fair value of financial assets and liabilities that are not exchange-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. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This may be the case for certain unlisted shares, certain corporate debt securities and unlisted unit trusts with suspended applications and withdrawals.

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 year 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.

4 Fair value measurement (continued)

(ii) Valuation techniques used to derive level 2 fair value (continued)

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.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The determination of what constitutes 'observable' requires significant judgment by the Investment Manager. The Investment Manager consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

(iii) Recognised fair value measurements

The following table presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2025 and 30 June 2024.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2025				
Financial assets at fair value through profit or loss				
Listed equities	1,914,998	-	-	1,914,998
Forward foreign currency exchange contracts	-	7,125	-	7,125
Total financial assets at fair value through profit or loss	1,914,998	7,125	-	1,922,123
Financial liabilities at fair value through profit or loss				
Forward foreign currency exchange contracts	-	3	-	3
Total financial liabilities at fair value through profit or loss	-	3	-	3
As at 30 June 2024				
Financial assets at fair value through profit or loss				
Listed equities	1,354,575	-	-	1,354,575
Forward foreign currency exchange contracts	-	1,262	-	1,262
Total financial assets at fair value through profit or loss	1,354,575	1,262	-	1,355,837
Financial liabilities at fair value through profit or loss				
Forward foreign currency exchange contracts	-	3	-	3
Total financial liabilities at fair value through profit or loss	-	3	-	3

(iv) Transfers between levels

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

There were no transfers between the levels in the fair value hierarchy for the year ended 30 June 2025 and 30 June 2024 respectively.

(v) Fair value measurements using significant unobservable inputs (level 3)

The Fund did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2025 and 30 June 2024.

(vi) Valuation processes

Portfolio reviews are undertaken regularly by the Investment Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities.

Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, the Investment Manager performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting year.

(vii) Fair values of other financial instruments

The Fund did not hold any financial instruments which were not measured at fair value in the Statement of financial position. Due to their short-term nature, the carrying amounts of cash and cash equivalents, receivables and payables are assumed to approximate fair value. Net assets attributable to unitholders' carrying value may differ from its par value (deemed to be redemption price for individual units) due to differences in valuation inputs.

5 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statement of financial position are disclosed in the first three columns of the tables below.

	Effects of offsetting on the Statement of financial position			Related amounts not offset		
	Gross amounts of financial instruments	Gross amounts set off in the Statement of financial position	Net amount of financial instruments presented in the Statement of financial position	Amounts subject to master netting arrangement	Collateral received/pledged	Net amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2025						
Financial assets						
Forward currency contracts	7,125	-	7,125	(3)	-	7,122
Total	7,125	-	7,125	(3)	-	7,122
Financial liabilities						
Forward currency contracts	3	-	3	(3)	-	-
Total	3	-	3	(3)	-	-

	Effects of offsetting on the Statement of financial position			Related amounts not offset		
	Gross amounts of financial instruments	Gross amounts set off in the Statement of financial position	Net amount of financial instruments presented in the Statement of financial position	Amounts subject to master netting arrangement	Collateral received/pledged	Net amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2024						
Financial assets						
Forward currency contracts	1,262	-	1,262	(3)	-	1,259
Total	1,262	-	1,262	(3)	-	1,259
Financial liabilities						
Forward currency contracts	3	-	3	(3)	-	-
Total	3	-	3	(3)	-	-

a. Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the International Swaps and Derivatives Association (ISDA) Master Agreement. Under the terms of these arrangements, only when certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Statement of financial position, but have been presented separately in the above table.

6 Net gains/(losses) on financial instruments at fair value through profit or loss

	Year ended	
	30 June 2025 \$'000	30 June 2024 \$'000
Financial assets		
Net realised gains/(losses) on financial assets as at fair value through profit or loss	133,793	95,039
Net unrealised gains/(losses) on financial assets as at fair value through profit or loss	204,084	97,997
Net gains/(losses) on financial assets at fair value through profit or loss	337,877	193,036
Financial liabilities		
Net realised gains/(losses) on financial liabilities as at fair value through profit or loss	(128,730)	(55,063)
Net gains/(losses) on financial liabilities at fair value through profit or loss	(128,730)	(55,063)
Total net gains/(losses) on financial instruments at fair value through profit or loss	209,147	137,973

7 Financial assets at fair value through profit or loss

	As at	
	30 June 2025 \$'000	30 June 2024 \$'000
Listed equities	1,914,998	1,354,575
Forward foreign currency exchange contracts	7,125	1,262
Total financial assets at fair value through profit or loss	1,922,123	1,355,837

An overview of the risk exposure relating to financial assets at fair value through profit or loss is included in Note 3.

8 Financial liabilities at fair value through profit or loss

	As at	
	30 June 2025 \$'000	30 June 2024 \$'000
Forward foreign currency exchange contracts	3	3
Total financial liabilities at fair value through profit or loss	3	3

9 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 a wide assortment of instruments, such as futures, forwards and swaps. 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 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.

Certain derivative transactions provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss. The Investment Manager targets a level of volatility and sets leverage accordingly.

The Fund holds the following derivative instruments:

Forward foreign currency exchange contracts

Forward foreign currency exchange contracts are primarily used by the Fund to 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. Forward foreign currency exchange contracts are valued at the prevailing bid price at the reporting date. The Fund recognises a gain or loss equal to the change in fair value at the reporting date.

The Fund's derivative financial instruments at year-end are detailed below:

As at 30 June 2025	Contractual/ notional \$'000	Fair values	
		Assets \$'000	Liabilities \$'000
Forward foreign currency exchange contracts	615,686	7,125	3
Total	615,686	7,125	3
As at 30 June 2024			
Forward foreign currency exchange contracts	487,096	1,262	3
Total	487,096	1,262	3

As at the reporting date, the Fund hedged \$615,685,501 (2024: \$487,096,282) comprising of a buy \$615,682,771 (2024: \$487,092,799) and a sale \$608,560,068 (2024: \$485,834,199) of its foreign currency exposure.

9 Derivative financial instruments (continued)

Risk exposures and fair value measurement

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

10 Net assets attributable to unitholders

Under AASB 132 *Financial instruments*: Presentation, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund has elected into the AMIT tax regime and consequently the Fund's constitution has been amended. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

As the Class A, Class B, Class C, Class H and Class I does not have identical class features, the Fund does not satisfy the criteria under AASB 132 that would allow it to classify net assets attributable to unitholders as equity. As at 30 June 2025 and 30 June 2024, net assets attributable to unitholders are classified as financial liability.

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

	Year ended			
	30 June 2025		30 June 2024	
	No. '000	\$'000	No. '000	\$'000
Class A - Ordinary				
Opening balance	355,585	675,279	235,362	389,915
Applications	221,539	457,937	170,288	315,548
Redemptions	(124,315)	(256,136)	(50,065)	(90,970)
Units issued upon reinvestment of distributions	16	31	-	-
Increase/(decrease) in net assets attributable to unitholders	-	112,655	-	60,786
Closing balance	452,825	989,766	355,585	675,279
Class B - Foundation				
Opening balance	44,382	86,583	38,695	65,908
Applications	18,551	38,359	10,748	20,263
Redemptions	(20,593)	(44,510)	(5,061)	(9,668)
Units issued upon reinvestment of distributions	34	67	-	-
Increase/(decrease) in net assets attributable to unitholders	-	14,353	-	10,080
Closing balance	42,374	94,852	44,382	86,583
Class C				
Opening balance	37,778	73,160	38,564	64,808
Applications	7,604	15,711	5,750	11,132
Redemptions	(3,020)	(6,425)	(6,536)	(12,140)
Units issued upon reinvestment of distributions	5	10	-	-
Increase/(decrease) in net assets attributable to unitholders	-	12,219	-	9,360
Closing balance	42,367	94,675	37,778	73,160
Class H				
Opening balance	336,190	493,359	250,742	320,077
Applications	138,699	210,978	134,518	189,810
Redemptions	(76,036)	(115,679)	(49,070)	(64,907)
Increase/(decrease) in net assets attributable to unitholders	-	44,908	-	48,379
Closing balance	398,853	633,566	336,190	493,359
Class I				
Opening balance	38,738	54,375	10,544	13,055
Applications	78,562	118,962	30,316	42,644
Redemptions	(25,943)	(39,846)	(2,122)	(2,921)
Increase/(decrease) in net assets attributable to unitholders	-	14,153	-	1,597
Closing balance	91,357	147,644	38,738	54,375
Closing balance		1,960,503		1,382,756

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 to the underlying assets of the Fund. There are five separate classes of units and each unit has different rights attaching to it as all other units of the Fund.

Capital risk management

The Fund classifies its net assets attributable to unitholders as financial liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

10 Net assets attributable to unitholders (continued)

Capital risk management (continued)

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets by the Investment Manager. 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 a redemption of units if the exercise of such discretion is in the best interests of unitholders.

11 Distributions to unitholders

Distributions are payable at the end of each financial period. Such distributions are determined by reference to the net taxable income of the Fund.

The distributions for the year were as follows:

	Year ended		Year ended	
	30 June 2025		30 June 2024	
	\$'000	CPU*	\$'000	CPU*
Class A - Ordinary				
Distributions payable	3,330	0.7354	803	0.2257
Total distributions	3,330	0.7354	803	0.2257
Class B - Foundation				
Distributions payable	409	0.9639	120	0.2704
Total distributions	409	0.9639	120	0.2704
Class C				
Distributions payable	338	0.7981	105	0.2772
Total distributions	338	0.7981	105	0.2772
Class I				
Distributions payable	476	0.5213	41	0.1067
Total distributions	476	0.5213	41	0.1067
Total distributions	4,553		1,069	

There were no distributions for Class H for the year ended 30 June 2025 (30 June 2024: Nil)

* Distribution is expressed as cents per unit amount in Australian Dollars.

12 Cash and cash equivalents

	As at	
	30 June 2025	30 June 2024
	\$'000	\$'000
Cash at bank	40,735	34,869
Total cash and cash equivalents	40,735	34,869

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

	Year ended	
	30 June 2025	30 June 2024
	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Operating profit/(loss) for the year	202,841	131,271
Proceeds from sale of financial instruments at fair value through profit or loss	431,627	179,262
Payments for purchase of financial instruments at fair value through profit or loss	(788,766)	(557,913)
Net (gains)/losses on financial instruments at fair value through profit or loss	(209,147)	(137,973)
Net change in other receivables	(3,884)	(462)
Net change in other payables	(4,986)	7,279
Effects of foreign currency exchange rate changes on cash and cash equivalents	(31)	32
Net cash inflow/(outflow) from operating activities	(372,346)	(378,504)

(b) Non-cash operating and financing activities

The following distribution payments to unitholders were satisfied by the issue of units under the distribution reinvestment plan

Total non-cash operating and financing activities	108	-
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As described in Note 2(i), income not distributed is included in net assets attributable to unitholders. 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.

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 2025	30 June 2024
	\$	\$
Ernst & Young		
Audit and other assurance services		
Audit and review of financial statements	27,470	26,670
Total remuneration for audit and other assurance services	27,470	26,670
Taxation services		
Taxation services	16,200	15,725
Total remuneration for taxation services	16,200	15,725
Total remuneration of Ernst & Young	43,670	42,395
PricewaterhouseCoopers		
Audit and other assurance services		
Audit of compliance plan	2,786	2,691
Total remuneration for audit and other assurance services	2,786	2,691
Total remuneration of PricewaterhouseCoopers	2,786	2,691
Audit and other assurance services paid by Investment Manager		
Total remuneration of Ernst & Young audit firm	43,670	42,395
Total remuneration of PricewaterhouseCoopers audit firm	2,786	2,691

The remuneration of auditors is borne by the Investment Manager. Fees are stated exclusive of GST.

15 Net foreign currency gains/(losses) on financial instruments not at fair value through profit or loss

	Year ended	
	30 June 2025	30 June 2024
	\$'000	\$'000
Net foreign currency gains/(losses)	(121)	(934)
Total net foreign currency gains/(losses)	(121)	(934)

Foreign currency gains and losses on assets and liabilities not measured at fair value through profit and loss have been separately classified on the face of the Statement of comprehensive income in Net foreign currency gains/(losses) on financial instruments not at fair value through profit or loss.

16 Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control or exercise significant influence over the Fund in making financial and operating disclosures. Related parties may be individuals or other entities.

Responsible Entity

The Responsible Entity of Fairlight Global Small & Mid Cap (SMID) is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150).

16 Related party transactions (continued)

Key management personnel

(a) Directors

Key management personnel includes persons who were Directors of the Responsible Entity at any time during the financial year as follows:

Name

Alexis Dodwell	
Glenn Foster	
Vicki Riggio	
Phillip Blackmore	Alternate Director for Vicki Riggio

(b) Other key management personnel

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

Key management personnel unit holdings

During or since the end of the year, none of the Directors or Director related entities held units in the Fund, either directly, indirectly or beneficially.

Neither the Responsible Entity nor its affiliates held units in the Fund at the end of the year.

Key management personnel compensation

Key management personnel do not receive any remuneration directly from the Fund. They receive remuneration from the Responsible Entity in their capacity as Directors or employees of the Responsible Entity or its related parties. Consequently, the Fund does not pay any compensation to its key management personnel. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year.

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 since the end of the previous financial period and there were no material contracts involving Directors' interests existing at year end.

Responsible Entity's/Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution, the Responsible Entity is entitled to receive a fee per annum calculated as a percentage of the gross asset value of the Fund. The Investment Manager of the Fund is Fairlight Asset Management Pty Ltd. The Investment Manager is entitled to receive a management fee at the rates stipulated in the Fund's governing documents. A performance fee of 15% of any outperformance relative to the benchmark (being the MSCI World SMID Cap Index Net in AUD or hedged for Class H), after deduction of all fees and expenses and provided any underperformance from previous periods has been recovered, may apply. Should the absolute performance of the Fund be negative in the period, a performance fee will not be payable in that period.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity were as follows:

	Year ended	
	30 June 2025	30 June 2024
	\$	\$
Management fees for the year paid and payable by the Fund to the Investment Manager	21,882,790	13,563,019
Performance fees for the year paid and payable by the Fund to the Investment Manager	-	2,368,707
Aggregate amounts payable to the Investment Manager at reporting date	1,961,827	1,414,936

Related party unitholdings

Parties related to the Fund (including the Trust Company (RE Services) Limited, its related parties and other schemes managed by The Trust Company (RE Services) Limited, hold no units in the Fund.

16 Related party transactions (continued)

Investments

The Fund did not hold any investments in The Trust Company (RE Services) Limited or of its affiliates or funds managed by Fairlight Asset Management Pty Ltd. during the year. (2024: nil)

17 Significant events during the year

On 24 February 2025, Perpetual Limited announced that the Scheme Implementation Deed, entered into with KKR on 8 May 2024, has been terminated. The ASX announcement made by Perpetual Limited can be found at <https://www.perpetual.com.au/shareholders/asx-announcements/>.

There were no other significant events during the year.

18 Events occurring after the year end

The Directors are not aware of any events or circumstance since the end of the financial year not otherwise addressed within this report that has affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent years. The Fund continues to operate as a going concern.

19 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2025 and 30 June 2024.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 27 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 2025 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)(i) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director
The Trust Company (RE Services) Limited

Sydney
15 September 2025

Independent auditor's report to the unitholders of Fairlight Global Small & Mid Cap (SMID) Fund

Opinion

We have audited the financial report of Fairlight Global Small & Mid Cap (SMID) Fund (the "Fund"), which comprises the statement of financial position as at 30 June 2025, 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 2025 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 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' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young



Jim Chuang
Partner
Sydney
15 September 2025