



PM CAPITAL ENHANCED YIELD FUND

**Annual Report
For the Year Ended 30 June 2025**

PM Capital Enhanced Yield Fund is a Registered Scheme under the *Corporations Act 2001* (ARSN 099 581 558).

PM Capital Limited (ABN 69 083 644 731), the Scheme's Responsible Entity, is a company limited by shares, incorporated and domiciled in Australia. Its principal place of business is:

PM Capital Limited,
Level 46,
Gateway 1 Macquarie Place,
Sydney NSW 2000

A description of the nature of the Scheme's operations and its principal activities is included in the directors' report.

PM CAPITAL ENHANCED YIELD FUND
ANNUAL REPORT
For the Year Ended 30 June 2025

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**PM CAPITAL ENHANCED YIELD FUND
DIRECTORS' REPORT**

**PM Capital Limited (ABN 69 083 644 731) as Responsible Entity
for the PM Capital Enhanced Yield Fund ("the Fund")**

The directors of PM Capital Limited ("PM Capital") as Responsible Entity for PM Capital Enhanced Yield Fund submit the financial report of the Fund for the year ended 30 June 2025.

The directors of PM Capital Limited authorised the financial report for issue on 15 September 2025. The directors of PM Capital Limited have the power to amend and reissue the financial report.

Directors

The following persons were directors of the Responsible Entity ("RE") during the whole of the financial year and up to the date of this report, unless otherwise stated:

Brendan O'Connor
Ian Cameron
Rebecca Fesq

Principal activities of the Fund

The principal activity of the Fund during the year was investing predominantly in cash, discount securities and listed and unlisted interest bearing securities.

Review of operations

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

	2025	2024
	\$	\$
Operating revenue	37,459,229	37,668,352
Operating expenses	5,324,679	5,759,131
Finance costs	61	204
Total expenses	5,324,740	5,759,335
Profit for the year	32,134,489	31,909,017

Distributions

Accounting and tax distributions for the financial year were \$25,882,317 (2024: \$22,694,148).

State of affairs

In the prior year, the Fund established a new unit class. During the year, the Fund created an additional unit class. Applications were received and units were issued in respect of both new classes.

There have been no other significant changes in the Fund's state of affairs during the financial year.

Events subsequent to balance date

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Fund, the result of those operations or the state of affairs of the Fund in subsequent financial years.

Likely developments

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 of officers

The Responsible Entity has indemnified its directors and officers, including members of the Compliance Committee, from any actions that may arise as a result of acting in their capacity as directors and officers of the Responsible Entity in respect of:

- a) Liability to third parties when acting in good faith; and
- b) Costs and expenses of defending legal proceedings and ancillary matters.

The terms of the policy preclude disclosure of the premium.

Fees paid and payable to the Responsible Entity and Investment Manager out of Fund property

The fees payable to the Responsible Entity during the year ended 30 June 2025 were \$5,304,764 (2024: \$4,279,517) and to the Investment Manager were \$nil (2024: \$1,466,096). Refer to Note 8(a) and Note 11 to the financial statements.

Number of interests in the Fund held by the Responsible Entity or its associates

As at the end of the financial year 9,990 units (2024: nil) in the Fund were held by the Responsible Entity and its related parties. Refer to Note 11 to the financial statements.

Interests in the Fund issued during the financial year

The movement in unitholder funds during the year is disclosed in Note 6 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the Statement of Financial Position and is derived using the basis set out in Note 1 to the financial statements.

Number of interests in the Fund as at the end of the financial year

There were 564,715,225 units (2024: 480,810,998) on issue at the end of the financial year with a further 192,551 units (2024: 226,634) pending issue as a result of the reinvestment of the 30 June 2025 income distribution.

**PM CAPITAL ENHANCED YIELD FUND
DIRECTORS' REPORT (continued)**

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 3.

Signed at Sydney this 15th day of September 2025, in accordance with a resolution of the Board of Directors, by:

A handwritten signature in blue ink, appearing to read 'Ian Cameron'.

Ian Cameron
Director
PM Capital Limited

15 September 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of PM Capital Limited, the Responsible Entity for PM Capital Enhanced Yield Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of PM Capital Enhanced Yield Fund for the financial year ended 30 June 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten version of the KPMG logo, with the letters 'KPMG' in a cursive, slightly slanted font.

KPMG

A handwritten signature in black ink, appearing to be 'Graeme Scott'.

Graeme Scott

Partner

Sydney

15 September 2025

**PM CAPITAL ENHANCED YIELD FUND
RESPONSIBLE ENTITY'S DECLARATION TO THE UNITHOLDERS
FOR THE YEAR ENDED 30 JUNE 2025**

1. In the opinion of the directors of the Responsible Entity of the Fund:

(a) the financial statements and notes set out on pages 5 to 18 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards and the *Corporations Regulations 2001*; 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; and

(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.

2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

The declaration is made in accordance with a resolution of the directors of PM Capital Limited (ABN 69 083 644 731) as Responsible Entity for the PM Capital Enhanced Yield Fund.



Ian Cameron
Director
PM Capital Limited

15 September 2025

PM CAPITAL ENHANCED YIELD FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Revenue			
Dividends		127,895	342,008
Interest		28,183,709	30,301,299
Gains on investments at fair value through profit or loss	7	9,367,181	6,799,662
(Losses)/gains on foreign exchange		(219,574)	169,851
Other revenue		18	55,532
Total revenue		37,459,229	37,668,352
Expenses			
Fees paid to the Responsible Entity	11	5,304,764	4,279,517
Fees for outsourced functions	11	-	1,466,096
Finance costs		61	204
Other operating expenses		19,915	13,518
Total expenses		5,324,740	5,759,335
Profit for the year		32,134,489	31,909,017
Other comprehensive income		-	-
Total comprehensive income for the year		32,134,489	31,909,017
Distributions to unitholders		(25,882,317)	(22,694,148)
Change in net assets attributable to unitholders	6	6,252,172	9,214,869

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.

PM CAPITAL ENHANCED YIELD FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	3	19,391,882	2,755,317
Investments - Discount securities	2(e)(iii)	69,203,917	23,728,346
Investments - Listed credit and equity securities	2(e)(iii)	-	7,042,044
Investments - Unlisted credit securities	2(e)(iii)	559,344,305	512,195,204
Investments - Swaps	2(e)(iii)	-	1,449,756
Investments - Currency forward contracts	2(e)(iii)	-	148,166
Collateral accounts		9,806,560	2,136,989
Receivables	4	9,104,739	4,295,626
Total assets		666,851,403	553,751,448
Liabilities			
Current liabilities			
Financial liabilities at fair value through profit or loss	2(e)(iii)	4,181,803	-
Payables	5	15,192,621	8,768,699
Total liabilities excluding net assets attributable to unitholders		19,374,424	8,768,699
Net assets attributable to unitholders - liability	6	647,476,979	544,982,749

*The Statement of Financial Position should be read in conjunction with
the Notes to the Financial Statements which follow.*

**PM CAPITAL ENHANCED YIELD FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025**

	2025	2024
	\$	\$
Total equity at the beginning of the year	-	-
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	<u>-</u>	<u>-</u>
Transactions with owners in their capacity as owners	<u>-</u>	<u>-</u>
Total equity at the end of the year	<u>-</u>	<u>-</u>

Under AASB 132 *Financial Instruments: Presentation*, net assets attributable to unitholders are classified as a liability rather than equity, based on the classes of instruments and their underlying terms. As a result, there was no equity at the beginning or end of the year. Refer to Note 6 for more details.

*The Statement of Changes in Equity should be read in conjunction with
the Notes to the Financial Statements which follow.*

PM CAPITAL ENHANCED YIELD FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Dividends received		127,895	342,008
Interest received		29,498,592	30,392,111
Other operating receipts		22,066	55,532
Interest paid		(61)	(204)
Fees paid to the Responsible Entity		(5,141,196)	(4,192,591)
Fees for outsourced functions		-	(1,920,913)
Other operating payments		(19,915)	(22,398)
Net cash inflow from operating activities	9	24,487,381	24,653,545
Cash flows from investing activities			
Maturities and proceeds from sale of investments		444,348,554	385,388,480
Purchase of investments		(521,827,661)	(399,903,627)
Net cash outflow from investing activities		(77,479,107)	(14,515,147)
Cash flows from financing activities			
Net applications		95,328,354	1,189,804
Cash distributions		(25,687,935)	(21,895,541)
Net cash inflow/(outflow) from financing activities		69,640,419	(20,705,737)
Impact of exchange rate changes on cash and cash equivalents		(12,128)	(4,974)
Net increase/(decrease) in cash and cash equivalents		16,636,565	(10,572,313)
Cash and cash equivalents at the beginning of the year		2,755,317	13,327,630
Cash and cash equivalents at the end of the year	3	19,391,882	2,755,317

*The Statement of Cash Flows should be read in conjunction with
the Notes to the Financial Statements which follow.*

**PM CAPITAL ENHANCED YIELD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

1. Summary of material accounting policies

PM Capital Enhanced Yield Fund ("the Fund") was constituted on 11 February 2002 under a Trust Deed. Since that date, six amended constitutions have been executed, the dates of each amendment being: 21 October 2002, 19 June 2006, 16 March 2009, 12 March 2012, 29 June 2012 and 26 June 2018. The Fund will terminate on 11 February 2082 unless terminated earlier in accordance with the provisions of the Fund's Constitution.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, the requirements of the Constitution, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations Act 2001*.

Compliance with Australian Accounting Standards ensures that the financial statements comply with International Financial Reporting Standards.

(a) Investments

Financial instruments

(i) Classification

In accordance with AASB 9 Financial Instruments, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

Investments held at fair value through profit or loss are initially recognised at fair value including any transaction costs related to their acquisition. Subsequent to initial recognition, all financial instruments held at fair value through profit or loss are accounted for at fair value, with changes to such values recognised in profit or loss.

Financial assets

The Fund classifies its financial assets measured at fair value through profit or loss on the basis of both:

- The entities' business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

This category includes equity securities, fixed income and derivative contracts in an asset position.

Financial liabilities

Financial liabilities measured at fair value through profit or loss

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading.

(ii) Recognition

The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Investments are recognised on a trade date basis.

(iii) Initial measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

(iv) Subsequent measurement

Financial assets and liabilities are measured initially at fair value, with subsequent changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income. Transaction costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(v) Derecognition

A financial asset is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangements.

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

(vi) Impairment of financial assets

At each reporting date, the Fund shall conduct the impairment assessment on the financial assets under AASB 9.

Details of the assessment for credit risk and impairment are shown in Note 2(c).

(b) 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

Transactions during the year denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Overseas investments and currency, together with any accrued income, are translated at the exchange rate prevailing at the balance date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Net exchange gains and losses arising on the revaluation of investments are included in gains/(losses) on investments at fair value through profit or loss.

Hedging may be undertaken in order to avoid or minimise possible adverse financial effects of movements in exchange rates. Hedging gains or losses are included in profit or loss, as part of gains/(losses) on foreign exchange.

**PM CAPITAL ENHANCED YIELD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

1. Summary of material accounting policies (continued)

(c) Income tax

Under current legislation, the Fund is not subject to income tax provided that taxable income (including assessable capital gains) is attributed to unitholders under the AMIT regime.

The unit price of the Fund is based upon the net fair value of underlying assets and thus may include a share of unrealised capital gains.

Realised capital losses are not distributed/attributed to unitholders but are retained in the Fund to be offset against any realised capital gains. As at 30 June 2025 the Fund has \$3,974,065 of retained capital losses (2024: \$4,798,162). If realised capital gains exceed realised capital losses, the excess is distributed/attributed to unitholders.

The Fund currently has withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in profit or loss. The benefits of imputation credits and withholding tax are passed on to unitholders.

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

The Fund is registered for GST and currently claims 75% or 55% (2024: 75% or 55%) of the GST incurred depending on the nature of the expense. The unclaimable portion is written off as an expense.

Revenue, expenses, assets and liabilities are recognised net of GST except:

- (i) When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables are stated with GST included.

Reduced input tax credits recoverable by the Fund from the Australian Taxation Office are recognised as a receivable in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(e) Revenue and expenses

Investment income

(i) Interest income

Interest income is recognised in profit or loss for all financial instruments that are held at fair value through profit or loss using the effective interest method ("EIR"). Interest income on assets held at fair value through profit or loss is included in gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 1(e) to the financial statements.

(ii) Dividends

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded against dividend income. The Fund incurs withholding tax imposed by certain countries on dividend income.

(iii) Net changes in fair value of investments

Net gains or losses on financial instruments at fair value through profit or loss are changes in the fair value of financial assets and financial liabilities held for trading or designated upon initial recognition as at fair value through profit or loss and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period. Realised gains and losses on disposals of financial instruments classified as at fair value through profit or loss. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

Changes in the fair value of investments are recognised in profit or loss.

Expenses

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

Dividends declared on securities sold short are accrued on ex-dividend date.

Interest expense is recognised in the statement of comprehensive income as borrowing costs on an effective interest rate (EIR) basis.

(f) Distributions

Distributions to unitholders comprise the distributable income of the Fund. The distributions are payable at the end of each quarter. If the unitholder has elected to reinvest, the amount to be reinvested is not recorded as a payable. Amounts payable in cash at balance date are recorded as a current liability.

(g) 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 relevant price.

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.

The Fund manages its net assets attributable to unitholders as capital, notwithstanding that net assets attributable to unitholders are classified as liability. The value 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.

**PM CAPITAL ENHANCED YIELD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

1. Summary of material accounting policies (continued)

(h) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents includes cash on hand, deposits held at call with financial institutions, 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, and bank overdrafts. Bank overdrafts are shown within Interest Bearing Liabilities in Current Liabilities in the Statement of Financial Position.

(i) Collateral accounts

Collateral Accounts comprise of cash held by the broker which is only available to meet margin calls or are held as collateral against derivatives and short sales. It is not included as a component of cash and cash equivalents but instead, part of the due from brokers.

(j) Trade and other receivables

Trade and other receivables relate to unsettled trades, interest and dividends receivable. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less any allowance for expected credit losses when relevant.

(k) Payables

These amounts represent liabilities for amounts owing by the Fund at year end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Portfolio valuation

The Fund calculates its net asset value daily for purposes of unit applications and redemptions. The net asset value of the Fund is calculated by deducting from the value of the Fund's gross assets the value of the liabilities of the Fund, excluding net assets attributable to unitholders.

(m) Derivative financial instruments

The Fund may invest in financial derivatives. Derivative financial instruments are accounted for on the same basis as the underlying investment exposure. Gains and losses relating to financial derivatives are included in profit or loss as part of gains/(losses) on investments at fair value through profit or loss.

(n) Significant accounting judgement and estimates

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Fund. For the majority of the financial instruments held by the Fund, quoted market prices are readily available.

(o) New and amended standards adopted by the Fund

There are no new accounting standards and interpretations that have been published and have been adopted for the 30 June 2025 reporting year that are material to the financial statements.

(p) New standards and interpretations not yet adopted

A number of new accounting standards and amendments have been issued but are not yet effective for 30 June 2025 reporting period and have not been early adopted by the Fund. These new standards and amendments, when applied in future periods, are not expected to have a material impact on the Fund's financial statements except for the below accounting standard, which is not early adopted by the Fund.

AASB18 Presentation and Disclosure in Financial Statements

AASB 18 was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The new standard introduces new requirements for the statements of comprehensive income, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements, as well as amendments to the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual periods beginning on or after 1 January 2027 and have not been early adopted in preparing these financial statements. This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the statements of comprehensive income and statements of financial position line items are presented as well as some additional disclosures in the notes to the financial statements. The Fund is in the process of assessing the impact of the new standard.

2. Financial risk management

(a) Objectives, strategies, policies and processes

The Fund's activities are exposed to different types of financial risks. These risks include market risk (including price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. The Fund may employ derivative financial instruments to hedge these risk exposures in order to minimise the effects of these risks. The use of derivatives is an essential part of proper portfolio management and is not managed in isolation. Consequently, the use of derivatives is multifaceted and includes, but is not limited to:

- hedging to protect an asset of the Fund against a fluctuation in market values or foreign exchange rates or to reduce volatility;
- adjusting the interest rate duration of fixed interest securities;
- adjusting asset exposures within the parameters set in the investment strategy; and
- as a substitute for physical securities.

PM CAPITAL ENHANCED YIELD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

2. Financial risk management (continued)

(b) Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate. These fluctuations can be caused by market volatility, interest rate volatility, economic cycles, political events and levels of economic growth, both global and domestic. There are three different types of market risks, namely price risk, interest rate risk and foreign currency risk. Market risk exposures are assessed and managed through employing established investment strategies. The Fund aims to invest a significant portion of its assets in investments with a yield in excess of the RBA cash rate of return. If the Fund cannot find suitable investments it will let the cash levels build up. If appropriate the Fund may be 100% invested in cash.

As part of its risk management strategy, the Fund may use derivative contracts to manage exposures resulting from changes in interest rates, credit spreads, equity price risks and foreign currencies.

(i) Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate, whether those changes are specifically related to an individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The fund is exposed to price risk on unlisted credit securities, discount securities and swaps with the exposure balances disclosed in Note 2(e). The price risk of a security is dependent upon the financial circumstances of the company in which the security is purchased, including its profits, earnings and cash flows. The return on a security may also be affected by the quality of company management, the general health of the sector in which it operates and government policy. Securities present a risk of loss of capital.

In cases where financial instruments are denominated in currencies other than the Australian dollar, future prices will also fluctuate because of changes in foreign exchange rates. Refer to Note 2(b)(iii) for foreign currency risk. The portfolio is substantially hedged into Australian dollars at all times. The net foreign currency risk exposure is minimal. The Fund's overall market positions are monitored on an ongoing basis by the Investment Manager.

Price sensitivity

The below sensitivity analysis is based on management's best estimate of the sensitivity to a reasonably possible change in market prices. In practice, the actual trading results will differ from the below sensitivity analysis and the differences could be material.

The directors of PM Capital Limited believe that it is errant to try to estimate future returns. Market returns can be somewhat volatile and returns from year to year can have a fairly wide variance. As such, PM Capital Limited uses a sensitivity analysis that the Directors consider is more commensurate with the risk profile of the Fund.

As at reporting date, if the security prices had increased/(decreased) by 2% (2024: 2%) with all other variables being constant, this would have increased/(decreased) the net assets attributable to unitholders by approximately +/- \$12,570,964 (2024: +/- \$10,891,270). Some of the securities held by the Fund are directly affected by movements in interest rates and credit spreads. Refer to Note 2(b)(ii) for the management of interest rate risk, and Note 2(c) for the management of credit risk. The impact of price movements in currency forward contracts and collateral accounts are unlikely to have a significant impact on the Fund.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate because of changes in market interest rates. The Fund has interest rate risk exposures from the holding of financial assets and liabilities in the normal course of business. The Fund may use derivative instruments to manage its exposure against unexpected changes in interest rates. In accordance with the Fund's policy, the Investment Manager monitors the Fund's overall interest rate sensitivity on an ongoing basis. The Fund's exposure to interest rate risk, along with the effective weighted average interest rate for each class of financial asset and financial liability, is summarised in the table below. The information is broken down by maturity date to provide further detail on the timing of interest rate exposure.

		Fixed interest rate			Non-interest bearing	Total
	Floating interest rate	Less than 12 months	1 to 5 years	Over 5 years		
	\$	\$	\$	\$	\$	\$
2025						
Assets						
Cash and cash equivalents	19,391,882	-	-	-	-	19,391,882
Discount securities	-	69,203,917	-	-	-	69,203,917
Unlisted credit securities	213,787,446	70,062,144	145,286,102	130,208,613	-	559,344,305
Collateral accounts	-	-	-	-	9,806,560	9,806,560
Receivables	-	-	-	-	9,104,739	9,104,739
	233,179,328	139,266,061	145,286,102	130,208,613	18,911,299	666,851,403
Weighted Average Interest / Coupon Rate (%pa)*	4.87%	1.77%	3.77%	4.75%	0.00%	
Liabilities						
Swaps	4,181,803	-	-	-	-	4,181,803
Payables	-	-	-	-	15,192,621	15,192,621
	4,181,803	-	-	-	15,192,621	19,374,424
Weighted Average Interest / Coupon Rate (%pa)*	0.06%	-	-	-	0.00%	
Net assets attributable to unitholders	228,997,525	139,266,061	145,286,102	130,208,613	3,718,678	647,476,979

PM CAPITAL ENHANCED YIELD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

2. Financial risk management (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

	Floating interest rate	Less than 12 months	Fixed interest rate 1 to 5 years	Over 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$	\$
2024						
Assets						
Cash and cash equivalents	2,755,317	-	-	-	-	2,755,317
Discount securities	-	23,728,346	-	-	-	23,728,346
Listed credit and equity securities	-	-	-	-	7,042,044	7,042,044
Unlisted credit securities	195,651,438	141,873,370	128,171,895	46,498,501	-	512,195,204
Swaps	1,449,756	-	-	-	-	1,449,756
Collateral accounts	-	-	-	-	2,136,989	2,136,989
Currency forward contracts	-	-	-	-	148,166	148,166
Receivables	-	-	-	-	4,295,626	4,295,626
	4,205,073	165,601,716	128,171,895	46,498,501	13,622,825	553,751,448
Weighted Average Interest / Coupon Rate (%pa)*	5.99%	3.82%	3.72%	3.68%	0.00%	
Liabilities						
Payables	-	-	-	-	8,768,699	8,768,699
	-	-	-	-	8,768,699	8,768,699
Weighted Average Interest / Coupon Rate (%pa)*	-	-	-	-	0.00%	
Net assets attributable to unitholders	4,205,073	165,601,716	128,171,895	46,498,501	4,854,126	544,982,749

* Weighted Average Interest / Coupon Rate (%pa) is calculated as follows: Coupon rate multiplied by Par value divided by market value; interest rate on cash and cash equivalents; yield on discount securities. The Yield to Maturity on individual securities may differ significantly from the coupon rate.

Interest rate sensitivity

Fluctuations in interest rates will also affect forward points used in determining gains or losses on forward contracts. The impact of interest rate movements on the Fund's financial instruments is very small given the Fund's short interest rate duration. As at 30 June 2025 and 30 June 2024, should interest rates have increased/decreased by 75 basis points with all other variables being constant, the direct impact on the operating result and net assets would not be considered significant for the Fund.

(iii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial commitment, asset or liability will fluctuate due to changes in foreign currency rates.

The Fund holds assets denominated in currencies other than the Australian dollar (being the functional currency) and is therefore exposed to foreign currency risk when the value of assets denominated in other currencies fluctuates due to movements in exchange rates.

The Fund utilises derivatives to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in a foreign currency and to secure a particular exchange rate.

As the nature of these contracts is to hedge the international investment activities of the Fund, they are accounted for by marking to market at balance date in a manner consistent with the valuation of the underlying securities. The currency position of the Fund is monitored on an ongoing basis by the Investment Manager. The net foreign currency risk exposure is minimal. Included in (Losses)/gains on foreign exchange in profit or loss are the gains and losses on foreign currency derivative contracts. Offsetting these (Losses)/gains on foreign currency derivative contracts are (Losses)/gains on investments at fair value through profit or loss.

The Fund's exposure to foreign currencies will not have a material impact on the net assets attributable to unitholders or profit or loss of the Fund.

(c) Credit risk

Credit risk is the risk that a counterparty or issuer will fail to perform contractual obligations (i.e. default in either whole or part) under a contract, causing the Fund to make a financial loss.

Market prices generally incorporate credit assessments into valuations, and risk of loss is implicitly provided for in the carrying value of assets and liabilities as they are marked to market at balance date.

The total credit risk for assets including fixed income and equity securities is therefore limited to the amount carried in the Statement of Financial Position.

The Investment Manager manages the Fund's concentrations of credit risk by adopting a number of procedures, including but not limited to the following:

- Holding no more than 5% of the portfolio in any individual debt issue; and
- Limiting investments rated BBB flat or below to 50% of the portfolio, and 30% for sub-investment grade and unrated securities (as at the time of acquisition); and
- Periodically using derivatives; and
- Undertaking transactions with numerous counterparties, entering into appropriate contractual documentation, and in some cases requiring collateral to fulfill obligations to which they are liable.

Contractual credit risk is represented by the net payments or receipts that remain outstanding. There are no financial assets that are past due or impaired as at balance date.

An analysis of the credit risk exposure by ratings of the counterparties for the Fund's holdings of listed and unlisted credit securities is set out in the table below.

PM CAPITAL ENHANCED YIELD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

2. Financial risk management (continued)

(c) Credit risk (continued)

Short term ratings displayed as A1, A2, A3, AA, AAA, BBB or B, relate to securities which are rated as A-1+ or A-1 (A1), A-2 (A2), A-3 (A3), AA+ to AA- (AA), AAA (AAA), BBB+ to BBB- (BBB) and B (B) or their equivalent.

Long term ratings displayed as AAA, AA, A, BBB, BB or B relate to securities which are rated as AAA, AA+ to AA- (AA), A+ to A- (A), BBB+ to BBB- (BBB), BB+ to BB- (BB) or B+ to B- (B). The securities have been grouped together for disclosure purposes only.

Rating (S&P)	2025 \$	2024 \$
Unlisted credit securities and other unlisted interest-bearing instruments		
These are classified as current assets despite their maturity dates, as the assets are held for trading.		
Fixed rate bonds, floating rate notes and swaps, and discount securities that have a maturity date within the next twelve months:		
A1	69,203,917	94,868,260
A2	-	40,999,331
A3	14,057,866	65,835,082
AA	23,509,284	-
AAA	5,474,315	-
BBB	45,719,692	-
	157,965,074	201,702,673
Fixed rate bonds, floating rate notes and swaps, and discount securities that have a maturity date beyond the next twelve months:		
AAA	6,101,082	12,133,787
AA	44,530,495	24,949,157
A	135,847,433	119,720,894
BBB	249,750,861	156,497,561
BB	34,353,277	20,919,478
	470,583,148	334,220,877
Total unlisted credit securities and other unlisted interest-bearing instruments	628,548,222	535,923,550

Listed credit securities are included within Listed credit and equity securities in the Statement of Financial Position as follows:

Listed equity securities	-	7,042,044
Total listed credit and equity securities	-	7,042,044

The credit position of the Fund is monitored on an ongoing basis by the Investment Manager.

(d) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund invests primarily in fixed interest securities and swaps, which under normal market conditions are readily convertible to cash. In addition, the Fund's policy is to maintain sufficient cash to meet normal operating requirements and expected redemption requests.

The following tables summarise the maturity profile of the Fund's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 month \$	1 to 3 months \$	3 to 12 months \$	1 to 5 years \$	Over 5 years \$	Redeemable upon request \$	Total \$
2025							
Liabilities							
Swaps	(10,011)	-	2,918,117	312,821	960,876	-	4,181,803
Payables	15,192,621	-	-	-	-	-	15,192,621
Net assets attributable to unitholders	-	-	-	-	-	647,476,979	647,476,979
	15,182,610	-	2,918,117	312,821	960,876	647,476,979	666,851,403
2024							
Liabilities							
Payables	8,768,699	-	-	-	-	-	8,768,699
Net assets attributable to unitholders	-	-	-	-	-	544,982,749	544,982,749
	8,768,699	-	-	-	-	544,982,749	553,751,448

(e) Fair value measurements

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis. 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 (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data ("unobservable inputs") (Level 3).

PM CAPITAL ENHANCED YIELD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

2. Financial risk management (continued)

(e) Fair value measurements (continued)

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

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives, listed equity and listed and unlisted credit securities) is based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

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.

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.

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

Discount securities are priced based on the yield at transaction date. Currency forward contracts and swaps are valued with reference to external third party pricing information.

(iii) Recognised fair value measurements

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2025				
Financial assets at fair value through profit or loss				
Unlisted credit securities	524,584,576	34,759,729	-	559,344,305
Discount securities	-	69,203,917	-	69,203,917
	524,584,576	103,963,646	-	628,548,222
Financial liabilities at fair value through profit or loss				
Swaps	-	4,181,803	-	4,181,803
	-	4,181,803	-	4,181,803
2024				
Financial assets at fair value through profit or loss				
Listed credit and equity securities	7,042,044	-	-	7,042,044
Unlisted credit securities	512,195,204	-	-	512,195,204
Discount securities	-	23,728,346	-	23,728,346
Swaps	-	1,449,756	-	1,449,756
Currency forward contracts	-	148,166	-	148,166
	519,237,248	25,326,268	-	544,563,516

(iv) 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.

(v) Fair value of financial instruments not carried at fair value

The carrying value of collateral accounts, receivables and payables are assumed to approximate their fair values.

3. Cash and cash equivalents

Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank (Custodian)	7,974,373	2,711,741
Deposits in money markets	11,417,509	43,576
	19,391,882	2,755,317

Cash at bank (Custodian) is a cash facility offered by the Custodian.

4. Receivables

Interest receivable	2,884,121	4,199,004
GST and tax credits	74,574	96,622
Outstanding Settlements	5,435,500	-
Applications receivable	710,544	-
	9,104,739	4,295,626

5. Payables

Distributions payable to unitholders	8,058,400	8,503,811
Accruals	428,456	264,888
Outstanding settlements	6,269,132	-
Redemptions payable	436,633	-
	15,192,621	8,768,699

**PM CAPITAL ENHANCED YIELD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

	2025 \$	2024 \$
6. Changes in net assets attributable to unitholders		
Opening balance	544,982,749	533,900,082
Applications	182,946,228	150,735,655
Redemptions	(87,343,963)	(149,545,851)
Reinvestments	639,793	677,994
Change in net assets attributable to unitholders	6,252,172	9,214,869
Net assets attributable to unitholders per Statement of Financial Position	647,476,979	544,982,749
Less distribution reinvestments	(192,551)	(257,165)
Net assets attributable to unitholders as defined in the Constitution	647,284,428	544,725,584

Capital risk management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding that net assets attributable to unitholders are classified as a liability. The value 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.

The Fund manages its redemption requirements through maintaining a level of cash and cash equivalents to meet daily operating requirements.

	2025 \$	2024 \$
7. Gains on investments at fair value through profit or loss		
Listed credit and equity securities	972,789	2,863,619
Unlisted credit securities and swaps	4,879,805	2,142,489
Discount securities	2,785,931	1,396,924
Futures	728,656	396,630
	9,367,181	6,799,662

8. Expenses

(a) Fees paid to the Responsible Entity and fees for outsourced functions

The following fees are charged by the Responsible Entity and the Investment Manager:

- (i) Management fees; and
- (ii) Performance fees.

These fees are paid at rates which, after GST and related GST recoveries, results in a cost to the Fund at the rates noted below.

Management fees (Unit Class A, Unit Class B, Unit Class E and Unit Class ZF)

Unit Class A

Management fees at a rate of 0.55% per annum of the capital invested in the Fund are assessed and payable on a monthly basis. The management fee is remitted as follows:

- (i) 0.55% (2024: 0.55%) to the Responsible Entity for responsible entity, administration services and investment management services.

Unit Class B

Management fees at a rate of 0.79% per annum of the capital invested in the Fund are assessed and payable on a monthly basis. The management fee is remitted as follows:

- (i) 0.79% (2024: 0.79%) to the Responsible Entity for responsible entity, administration services and investment management services.

Unit Class E

Management fees at a rate of 0.35% per annum of the capital invested in the Fund are assessed and payable on a monthly basis. The management fee is remitted as follows:

- (i) 0.35% to the Responsible Entity for responsible entity, administration services and investment management services.

Unit Class ZF

The Fund offers a fee-free unit class in which no management fees or performance fees are charged to unitholders.

Performance fees (Unit Class A only)

The performance fee of the Fund is equal to 25% p.a. (2024: 25% p.a.) of any investment return on each unit in the Fund in excess of the Reserve Bank of Australia cash rate that prevails at the commencement of a performance fee period, subject to a "high water mark", and after taking into account the management fee. The performance fee is remitted to the Responsible entity.

Further details of the calculation of these fees can be found in the current offer document. Refer to Note 11 for further details.

**PM CAPITAL ENHANCED YIELD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

	2025 \$	2024 \$
8. Expenses		
(b) Auditor's remuneration		
During the year the following fees were paid or payable for services provided by the auditors of the Fund:		
Fees to KPMG		
Fees for auditing the statutory financial statements of the Fund	22,500	-
Fees to HLB		
Fees for auditing the statutory financial statements of the Fund	-	48,620
Fees for other services		
- Tax compliance	-	22,074
Total fees to HLB	-	70,694
Fees to Deloitte Australia		
Fees for other services		
- Tax compliance	22,268	-
Total fees to Deloitte Australia	22,268	-
	44,768	70,694

The auditor's remuneration is an expense of the Responsible Entity. Other services comprise income tax compliance and other compliance services.

	2025 \$	2024 \$
9. Reconciliation of profit for the year to net cash flows from operating activities		
Profit for the year	32,134,489	31,909,017
Gains on investments at fair value through profit or loss	(9,367,181)	(6,799,662)
(Gains)/losses on foreign exchange	219,574	(169,851)
Changes in assets and liabilities		
Decrease in receivables	1,336,931	81,932
Increase/(decrease) in payables	163,568	(367,891)
Net cash inflow from operating activities	24,487,381	24,653,545

10. Events subsequent to balance date

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Fund, the result of those operations or the state of affairs of the Fund in subsequent financial years.

11. Related party transactions

Details of fees and other expenses paid to the Responsible Entity are set out in Note 8(a) and in the Statement of Profit or Loss and Other Comprehensive Income.

On 20 December 2023, MAPP Pty Limited as trustee for the MAPP Trust ("MAPP") ceased to be the Investment Manager of the Fund. Effective on 20 December 2023, PM Capital assumed investment management services of the Fund. All staff employed by MAPP on 20 December 2023 have accepted roles at PM Capital effective 20 December 2023.

Key Management Personnel ("KMP")

The Fund does not employ personnel in its own right. However it is required to have an incorporated Responsible Entity to manage the activities of the Fund and this is considered the KMP. The directors of the Responsible Entity are key management personnel of that entity and their names are Brendan O'Connor, Ian Cameron and Rebecca Fesq.

During the year, the Fund expensed an amount of \$5,304,764 (2024: \$4,279,517) as fees paid or payable to the Responsible Entity and as at balance date an amount of \$428,456 (2024: \$264,888) owing to the Responsible Entity is included in accruals and is interest free.

Also during the year, the Fund expensed an amount of \$nil (2024: \$1,466,096) as fees paid or payable to the Investment Manager and as at balance date an amount of \$nil (2024: \$nil) owing to the Investment Manager is included in accruals and is interest free.

No compensation is paid directly by the Fund to any of the key management personnel of the Responsible Entity.

PM CAPITAL ENHANCED YIELD FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

11. Related party transactions (continued)

Number of investment interests held

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time the Responsible Entity may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other Fund investors.

Investment interests held in the Fund by the Responsible Entity and its related parties at 30 June 2025 are as follows:

	Opening Units Held (Units)	Number of Units Acquired (Units)	Number of Units Redeemed (Units)	Units Acquired via Distributions Reinvestments (Units)	Closing Units Held* (Units)	Distributions paid/payable By the Fund (\$)
2025						
Unit Class E	-	9,990	-	-	9,990	138
	-	9,990	-	-	9,990	138

Investment interests held in the Fund by the Responsible Entity and its related parties at 30 June 2024 are as follows:

	Opening Units Held (Units)	Number of Units Acquired (Units)	Number of Units Redeemed (Units)	Units Acquired via Distributions Reinvestments (Units)	Closing Units Held* (Units)	Distributions paid/payable By the Fund (\$)
2024						
Unit Class A	2,295,460	-	(2,295,460)	-	-	31,293
Unit Class B*	674,666	191,860	-	17,222	-	8,761
	2,970,126	191,860	(2,295,460)	17,222	-	40,054

* An entity invested in Unit Class B ceased to be a related party on 20 December 2023. The above table reflect interests until that date.



Independent Auditor's Report

To the unitholders of PM Capital Enhanced Yield Fund

Opinion

We have audited the **Financial Report** of PM Capital Enhanced Yield Fund (the Fund).

In our opinion, the accompanying Financial Report of PM Capital Enhanced Yield Fund gives a true and fair view, including of the Fund's financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2025
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes, including material accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 and PM Capital Limited (the Responsible Entity) in accordance with 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in PM Capital Enhanced Yield Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors of the Responsible Entity for the Financial Report

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and that is free from material misstatement, whether due to fraud or error
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.



A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

A handwritten signature of the KPMG firm, written in a stylized, cursive script.

KPMG

A handwritten signature of Graeme Scott, written in a stylized, cursive script.

Graeme Scott

Partner

Sydney

15 September 2025