



Fortlake Funds

2025 Annual financial report



Investments

Colonial First State Investments Limited
ABN 98 002 348 352
AFS Licence 232468



Your Annual Financial Report

I am pleased to present the reports for the financial year ended 30 June 2025 for the Fortlake Funds.

These statements are the final component of the reporting information for the 2024–2025 financial year.

If you have any questions about the Annual Financial Report please call Investor Services on 13 13 36 Monday to Friday, 8:30am – 6pm, Sydney time.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K Power', with a long horizontal flourish extending to the right.

Kelly Power
Chief Executive Officer of CFS Superannuation

FORTLAKE REAL-HIGHER INCOME FUND

ARSN : 645 065 818

ANNUAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Responsible Entity of the Fund

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN: 98 002 348 352

Level 15, 400 George Street
SYDNEY NSW 2000

FORTLAKE REAL-HIGHER INCOME FUND

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FORTLAKE REAL-HIGHER INCOME FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Fund, present their report together with the Financial Report of the Fund for the reporting period as stated below and the auditor's report thereon.

Reporting Period

The current reporting period for the financial report is from 1 July 2024 to 30 June 2025. The comparative reporting period is from 1 July 2023 to 30 June 2024.

Date of Constitution and Date of Registration of the Fund

The date of Constitution and Registration of the Fund with the Australian Securities & Investment Commission (ASIC) are as follows:

Date of Constitution	18/09/2020
Date of Registration	26/10/2020

Principal Activities

The principal activities of the Fund is to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statement and its Constitution.

Please refer to the current Product Disclosure Statement for more information.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' Report have been rounded to either the nearest dollar or the nearest thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, as indicated.

Comparatives

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in current reporting period.

Review of Operations

Income

The result of the operation for the Fund for the current and previous reporting periods are tabled below:

	Period ended 30/06/2025 \$'000	Period ended 30/06/2024 \$'000
Operating profit/(loss) attributable to unitholders	(2,371)	17,337

FORTLAKE REAL-HIGHER INCOME FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Review of Operations (continued)

Distribution to unitholders

The total amount distributed to unitholders for the current and previous reporting periods are as follows:

	Period ended 30/06/2025 \$'000	Period ended 30/06/2024 \$'000
Amount distributed during the reporting periods	29,793	26,697

Details of the income distributions for the reporting periods ended 30 June 2025 and 30 June 2024 are disclosed in the "Distributions to Unitholders" note to the financial statements.

Exit Prices

The exit price is the price at which unitholders realise an entitlement in a fund and is calculated by deducting a predetermined cost of selling (commonly known as the "sell spread"), if applicable, from the net asset value per unit ("NAV unit price") of a fund. NAV unit price is calculated by taking the total fair value of all of the Fund's assets on a particular day, adjusting for any liabilities and then dividing the net fund value by the total number of units held by unitholders on that day.

The following unit price represents the ex-distribution exit unit price as at 30 June 2025, together with comparative unit price as at 30 June 2024:

	30/06/2025 \$	30/06/2024 \$
Ex-distribution exit unit price	0.8472	0.9878

Responsible Entity and Directors

The Responsible Entity of the Fund is Colonial First State Investments Limited (the Responsible Entity).

The Directors of the Responsible Entity in office during the period and up to the date of the report are:

Name of Director	Date of Appointment or resignation
Murray Coble	Appointed on 30 May 2022.
JoAnna Fisher	Appointed on 30 May 2022.
Martin Codina	Resigned on 31 July 2025.
Bryce Sterling Quirk	Appointed on 31 July 2025.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 15, 400 George Street, Sydney, New South Wales, 2000.

Scheme Information

The Fund is a registered managed investment scheme domiciled in Australia and has its principal place of business at Level 15, 400 George Street, Sydney, New South Wales, 2000.

FORTLAKE REAL-HIGHER INCOME FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Unit Pricing Adjustments Policy

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and where relevant, transaction costs. When the factors used to calculate the unit price are incorrect an adjustment to the unit price may be required. The Responsible Entity uses a tolerance level of 0.30% (0.05% for a cash investment option) in the unit price to assess corrections.

If a unit pricing error is greater than these tolerance levels the Responsible Entity will:

- compensate unitholders' accounts balance if they have transacted on the incorrect unit price or make other adjustments as the Responsible Entity may consider appropriate, or
- where unitholders' accounts are closed the Responsible Entity will send them a payment if the amount of the adjustment is more than \$20.

These tolerance levels are consistent with regulatory practice guidelines and industry standards. In some cases, the Responsible Entity may compensate where the unit pricing error is less than the tolerance levels.

Significant Changes in the State of Affairs

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

There were no other significant changes in the nature of the Fund's activities during the reporting period.

Matters Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the current reporting period that have significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial periods, or
- (ii) the results of those operations in future financial periods, or
- (iii) the state of affairs of the Fund in future financial periods.

Indemnification and Insurance Premiums for Officers and Auditor

No insurance premiums are paid for out of the assets of the Fund in relation to insurance cover provided to the Responsible Entity or the auditor of the Fund. So long as the officers of the Responsible Entity act in accordance with the 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 auditor of the Fund is in no way indemnified out of the assets of the Fund.

Likely Developments and Expected Results of Operations

The Fund is expected to continue to operate within the terms of its Constitution, and will continue to invest in accordance with its investment objectives and guidelines.

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.

At the time of preparing this report the Responsible Entity is not aware of any likely developments which would impact upon the future operations of the Fund.

FORTLAKE REAL-HIGHER INCOME FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Fees Paid to and Received by the Responsible Entity or its Associates

Fees paid or payable to the Responsible Entity and its associates out of the Fund's assets during the reporting period are disclosed in the Statement of Comprehensive Income.

No fees were paid to the Directors of the Responsible Entity during the reporting period out of the Fund's assets.

Interests in the Fund

The units issued and redeemed in the Fund during the period and the number of units on issue at the end of the financial period are set out in "Changes in Net Assets Attributable to Unitholders" note to the financial statements. The value of the Fund's assets at the end of the financial period is set out in the Balance Sheet.

Any interests in the Fund held by the Responsible Entity or its associates at the end of the reporting period are disclosed in the "Related Parties Disclosure" note to the financial statements.

There are no interests in the Fund held by the Responsible Entity or its associates at the end of the reporting period.

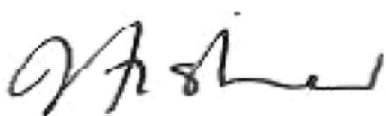
Environmental Regulation

The Fund's operations are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

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 in the following page.

Signed in accordance with a resolution of the Directors of Colonial First State Investments Limited.



JoAnna Fisher
Director
Sydney
17 September 2025



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

To the Directors of Colonial First State Investments Limited as the Responsible
Entity for Fortlake Real-Higher Income Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of the above 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.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Joshua Pearce', written over a faint, stylized KPMG logo.

Joshua Pearce
Partner
Sydney
17 September 2025

FORTLAKE REAL-HIGHER INCOME FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

	Note	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
Investment Income		\$'000	\$'000
Interest income	4	11,431	6,579
Net gains/(losses) on financial instruments at fair value through profit or loss		(9,012)	17,552
Other income		253	780
Net foreign exchange gain/(loss)		436	567
Total investment income/(loss)		3,108	25,478
Expenses			
Responsible Entity's management fees	9(c)	1,391	910
Expenses recharged	9(d)	811	567
Interest expenses		3,014	4,504
Other expenses		263	2,160
Total operating expenses		5,479	8,141
Profit/(Loss) for the period		(2,371)	17,337
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(2,371)	17,337

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

FORTLAKE REAL-HIGHER INCOME FUND

BALANCE SHEET AS AT 30 JUNE 2025

	Note	30/06/2025 \$'000	30/06/2024 \$'000
Assets			
Cash and cash equivalents		191,152	75,074
Trade and other receivables:			
- due from brokers - receivable for securities sold		330	-
- application monies		249	118
- interest		194	-
- others		45	325
Financial assets at fair value through profit or loss	6	283,930	154,690
Total assets		475,900	230,207
Liabilities			
Bank overdraft & margin account		18,166	26,237
Trade and other payables:			
- due to brokers - payable for securities purchased		1	-
- redemptions		70	2,913
- interest on loans		148	42
Distribution payable	9(c)	8,525	8,733
Responsible Entity - fee payable	9(c)	128	81
Financial liabilities at fair value through profit or loss	6	242,388	17,534
Total liabilities		269,426	55,540
Net assets attributable to unitholders - equity		206,474	174,667

The above Balance Sheet should be read in conjunction with the accompanying notes.

FORTLAKE REAL-HIGHER INCOME FUND

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2025

	Note	30/06/2025 \$'000	30/06/2024 \$'000
Opening equity at the beginning of the period	7	174,667	240,241
Profit/(Loss) for the period		(2,371)	17,337
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(2,371)	17,337
Transactions with owners in their capacity as owners			
Distribution to unitholders	5,7	(29,793)	(26,697)
Application of units	7	131,588	115,340
Redemption of units	7	(70,608)	(174,800)
Reinvestment during the period	7	2,991	3,246
Closing equity at the end of the period	7	206,474	174,667

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

FORTLAKE REAL-HIGHER INCOME FUND

CASH FLOW STATEMENT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

	Note	1/07/2024 - 30/06/2025 \$'000	1/07/2023 - 30/06/2024 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at FVTPL*		393,011	91,987
Payments for purchase of financial instruments at FVTPL*		(311,599)	(12,976)
Interest received		16,552	6,579
Dividends/distributions received		-	5,351
Responsible Entity fee received/ (paid)		(1,164)	(936)
Interest paid		(2,510)	-
Other receipts/(payments)		(1,220)	(2,214)
Net cash (used in)/from operating activities	8(a)	93,070	87,791
Cash flows from financing activities			
Receipts from issue of units		131,457	116,877
Payment for redemption of units		(73,451)	(171,987)
Distributions paid		(27,011)	(35,403)
Net cash (used in)/from financing activities		30,995	(90,513)
Net movement in cash and cash equivalents		124,065	(2,722)
Effects of exchange rate changes		84	567
Add opening cash and cash equivalents brought forward		48,837	50,992
Closing cash and cash equivalents carried forward		172,986	48,837

There have been no inflows/outflows related to investing activities during the period.

Non-cash operating and financing activities are disclosed in part (b) under "Cash and Cash Equivalents" note to the financial statements. Non-cash financing and investing activities relating to the reinvestment of distributions are disclosed in the "Net Assets Attributable to Unitholders" note.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

* FVTPL - Fair Value through Profit and Loss

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

1. GENERAL INFORMATION

The Fund covered in this Financial Report is Fortlake Real-Income Fund (Managed Fund).

The date of Constitution and Registration of the Fund with the Australian Securities & Investment Commission (ASIC) are as follows:

Date of Constitution	18/09/2020
Date of Registration	26/10/2020

The Responsible Entity of the Fund is Colonial First State Investments Limited (the Responsible Entity).

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 15, 400 George Street, Sydney, New South Wales, 2000.

The principal activities of the Fund is to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statement and its Constitution.

Please refer to the current Product Disclosure Statement for more information.

The Financial Report was authorised for issue by the Directors of the Responsible Entity on 17 September 2025. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

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 the periods presented, unless otherwise stated.

(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 and the Corporations Act 2001 in Australia. The Fund is a for-profit unit trust for the purpose of preparing these financial statements.

The Balance Sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets 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 12 months, however, an estimate of that amount cannot be determined as at balance date.

The current reporting period for the financial report is from 1 July 2024 to 30 June 2025. The comparative reporting period is from 1 July 2023 to 30 June 2024.

Both the functional and presentation currency of the Fund are Australian dollars.

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in the current reporting period. There is no impact on the previously reported net assets, net profit, changes in equity or net cash flows of the fund.

The Fund is a registered scheme of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded to either the nearest dollar or the nearest thousand dollars, as indicated.

(i) Compliance with International Financial Reporting Standards

The Financial Report also comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

(ii) New and Amended Standards adopted by the Fund

The Fund has adopted the following Australian Accounting Standards for the reporting period beginning 1 July 2024:

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

AASB 2021-2 became effective for annual reporting periods beginning on or after 1 January 2023. The amendments require the disclosure of material accounting policies rather than significant accounting policies and clarify the distinction between accounting policies and accounting estimates. The amendments do not result in any changes to the accounting policies.

There are no other new accounting standards, amendments and interpretations that are effective for the first time for the reporting period beginning 1 July 2024 and have a material impact on the financial statements of the Fund.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Investments in Financial Assets and Liabilities at Fair Value through Profit or Loss

(i) Classification

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

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model objective. Consequently, the debt securities are measured at fair value through profit or loss.

Liabilities

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

(ii) Recognition/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 have been transferred and the Fund has transferred substantially all of the risks and rewards of ownership.

(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.

For further details on how the fair values of financial instruments are determined please see "Financial Assets and Liabilities at Fair Value through Profit or Loss" note to the financial statements.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet 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. Refer to the "Offsetting Financial Assets and Financial Liabilities" note to the financial statements for further information.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) 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. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

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

Other changes in fair value for such instruments are recorded in accordance with the policies described in the "Financial assets and liabilities at fair value through profit or loss" note to the financial statements.

(d) 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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross 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.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank, deposits at call with financial institutions, short-term and highly liquid financial assets with an original maturity 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.

For the purposes of the Cash Flow Statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts which are shown as a liability in the Balance Sheet.

Derivative cash accounts comprise of margin accounts and cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(f) Receivables

Receivables may include amounts for dividends, interest, trust distributions and application receivables. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(c) above. Amounts are generally received within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

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

The carrying amount of receivables is a reasonable approximation of fair value due to their short term nature.

(g) Payables

Payables include liabilities, accrued expenses and redemption payables owing by the Fund which are unpaid as at the end of the reporting period. As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the balance sheet as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

The carrying amount of payables is a reasonable approximation of fair value due to their short term nature.

(h) Taxation

Under current legislation, the Fund is not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

(i) Distributions to Unitholders

Distributions are payable as set out in the Fund's Product Disclosure Statement/Information Memorandum. Such distributions are determined by the Responsible Entity of the Fund. Distributable income includes capital gains arising from the disposal of financial assets and liabilities held at fair value through profit or loss. Unrealised gains and losses on financial assets and liabilities held at fair value through profit or loss that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) 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 balance sheet 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 unfavorable 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's units have been classified as equity as they satisfied all the above criteria.

The carrying amount of net assets attributable to unitholders is a reasonable approximation of fair value.

(k) Terms and Conditions on Units

Each unit issued confers upon the unitholder an equal interest in the Fund and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their units redeemed;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

(l) Applications and Redemptions

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

(m) Goods and Services Tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST.

Reduced input tax credits (RITC) recoverable by the Fund from the Australian Taxation Office are recognised as receivables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(n) Expense Recognition

All expenses, including responsible entity fees and custodian fees, are recognised in profit or loss on an accrual basis.

(o) Use of Estimates

The Responsible Entity makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

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

(p) Unit Prices

Unit prices are determined in accordance with the Fund's Constitution and are calculated as the net assets attributable to unitholders, divided by the number of units on issue. Financial assets and liabilities held at fair value through profit or loss for unit pricing purposes are valued on a "last sale" price basis.

(q) Investment Entity

The Responsible Entity has determined that the Fund is an investment entity under the definition in AASB 10 Consolidated Financial Statements as it meets the following criteria:

- (a) the Fund has obtained funds from unitholders for the purpose of providing them with investment management services;
- (b) the Fund's business purpose, which it communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and
- (c) the performance of investments made by the Fund is measured and evaluated on a fair value basis.

The Fund also meets all of the typical characteristics of an investment entity.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(r) Transactions in Foreign Currencies

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.

The Fund mainly transacts in Australian currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the Balance Sheet date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in a previous financial report, are recognised in the profit or loss in the period in which they arise.

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

(s) New Application of Accounting Standards

New standards, amendments and interpretations effective after 1 July 2024 and have not been early adopted.

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2025 reporting period and have not been early adopted in preparing these financial statements. Most of these are not expected to have a material impact on the financial statements of the Fund. However, management is still in the process of assessing the impact of the new standard AASB 18 Presentation and Disclosure in Financial Statements which was issued in June 2024 and replaces AASB 101 Presentation of Financial Statements.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(t) Purchase and reverse repurchase agreements

Repurchase agreements

Under repurchase agreements, the Funds take possession of underlying debt obligations (collaterals) subject to an obligation of the seller to repurchase, and the Funds to resell, the obligation at an agreed-upon price and time.

The underlying securities are held in safekeeping by the Funds' custodian under a tri-party repurchase agreement. The market value of the collaterals are equal to or greater than the total amount of the repurchase obligations, including interests.

Securities purchased under repurchase agreements are reflected as financial assets at fair value. Interests earned are recorded as a component of interest income.

In the event of counterparty default, the Funds have the right to use the collateral to offset losses incurred. If the counterparty should default, the Funds will seek to sell the securities which they hold as collaterals.

Reverse repurchase agreements

Under reverse repurchase agreements, the Funds sell securities that they hold with agreements to repurchase the same securities at an agreed-upon price and date. Securities sold under reverse repurchase agreements are reflected as a financial liability at fair value. Interest payments are recorded as a component of interest expense. The Funds may receive a fee for use of the securities by the counterparty, which may result in interest income to the Funds.

A reverse repurchase agreements involve the risk that the market value of the securities sold by Funds may decline below the repurchase price of the securities. The Funds segregate assets determined to be liquid or otherwise covers their obligations under reverse repurchase agreements.

3. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable, by the Responsible Entity, for services provided by KPMG as the auditor of the Fund and by KPMG related network firms.

Auditors remuneration was paid to KPMG in FY25 (FY24: Ernst & Young) due to change of auditor.

	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
	\$	\$
Audit and review of the financial reports	5,000	60,450
Other regulatory services	308	7,804
Other non-assurance services	-	10,000
Total services provided by KPMG	5,308	78,254

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

4. INTEREST INCOME

The interest income of the Fund is summarised as follows:

	1/07/2024 - 30/06/2025 \$'000	1/07/2023 - 30/06/2024 \$'000
Cash and cash equivalents	3,871	6,579
Debt securities	7,560	-
Total Interest Income	11,431	6,579

5. DISTRIBUTIONS TO UNITHOLDERS

The Responsible Entity adopts the policy of distributing as a minimum the net income for tax purposes. The amounts shown as "Distribution payable" in the Balance Sheet represent the components of the distributions for the reporting period which had not been paid at balance date.

The amounts distributed or proposed to be distributed to unitholders in cents per unit (cpu) during the period were:

Distribution Periods ended:	1/07/2024 - 30/06/2025 cpu	\$'000	1/07/2023 - 30/06/2024 cpu	\$'000
- 30 September	-	27	3.58	9,498
- 31 December	-	-	3.18	4,716
- 31 March	9.78	20,659	1.83	3,752
- 30 June	3.75	9,107	2.91	8,733
Distributions to unitholders		29,793		26,697

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Fair Value Measurements

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss
- Derivative financial instruments

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

Other than the financial assets and liabilities classified as fair value through profit or loss, all other financial assets and liabilities of the fund are recognised initially at fair value and are subsequently measured at amortised cost.

The Funds value their investments in accordance with policies set out in the previously issued financial statements. For the majority of these investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

(b) Fair Value Hierarchy

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

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

(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 period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price, the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid and asking price to the net open position, as appropriate.

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

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(b) Fair Value Hierarchy (continued)

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

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

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

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

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

Investments in other managed investment schemes are recorded at the redemption value per unit as reported by the investment managers of such funds.

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, to allow for additional factors including liquidity risk and counterparty risk.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(c) Recognised Fair Value Measurements

The following table presents the Fund's assets and liabilities measured and recognised at fair value as at the end of the reporting periods.

Fortlake Real-Higher Income Fund				
1				
30/06/2025	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets at fair value through profit or loss:				
Debt Securities	145,781	-	145,781	-
Derivatives	138,149	927	137,222	-
Total Assets at fair value through profit or loss	283,930	927	283,003	-
Financial Liabilities at fair value through profit or loss				
Derivatives	(222,807)	(183)	(222,624)	-
Repurchase agreement	(19,581)	-	(19,581)	-
Total Liabilities at fair value through profit or loss	(222,807)	(183)	(222,624)	-
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
30/06/2024				
Financial Assets at fair value through profit or loss:				
Debt Securities	154,287	-	154,287	-
Derivatives	403	-	403	-
Total Assets at fair value through profit or loss	154,690	-	154,690	-
Financial Liabilities at fair value through profit or loss				
Derivatives	(12,372)	-	(12,372)	-
Repurchase agreement	(5,162)	-	(5,162)	-
Total Liabilities at fair value through profit or loss	(17,534)	-	(17,534)	-

(d) Transfers between Levels

There are no material transfers between levels for the Fund during the current and previous reporting periods.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

7. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

(a) Movements in Number of Units and Net Assets Attributable to Unitholders

	1/07/2024 - 30/06/2025		1/07/2023 - 30/06/2024	
	No.'000	\$'000	No.'000	\$'000
Opening balance	176,832	174,667	227,118	240,241
Applications	137,495	131,588	114,791	115,340
Redemptions	(74,022)	(70,608)	(165,857)	(174,801)
Units issued upon reinvestment of distributions	3,226	2,991	780	3,246
Distribution to unitholders		(29,793)		(26,697)
Profit/(Loss)		(2,371)		17,338
Closing Balance	243,531	206,474	176,832	174,667

(b) Capital Risk Management

The Fund considers its net assets attributable to unitholders as capital. 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. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

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

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

8. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Profit/(Loss) Attributable to Unitholders to Net Cash from Operating Activities

	1/07/2024 - 30/06/2025 \$'000	1/07/2023 - 30/06/2024 \$'000
Profit/(Loss) attributable to unitholders	(2,371)	17,337
Proceeds from sale of financial assets and liabilities at fair value through profit or loss	393,011	91,987
Payments for purchase of financial assets and liabilities at fair value through profit or loss	(311,599)	(12,976)
Changes in fair value of financial assets and liabilities at fair value through profit or loss	9,012	(13,048)
Distribution or Dividend income reinvested	-	-
Net foreign exchange gain/(loss)	(436)	-
Change in receivables and other assets	5,294	(567)
Change in payables and other liabilities	159	5,058
Net Cash From/(Used In) Operating Activities	93,070	87,791

(b) Non-cash Operating and Financing Activities Carried Out During the Reporting Periods on Normal Commercial Terms and Conditions include:

- Reinvestment of unitholders distributions as disclosed under "Units issued upon reinvestment of distributions" in part (a) of the "Changes in Net Assets Attributable to Unitholders" note to the financial statements.
- Participation in dividend reinvestment plans as disclosed under "Distribution or Dividend Income Reinvested" in part (a) of the "Cash and Cash Equivalents" note to the financial statements.

(c) Terms and Conditions on Cash

Cash at bank and in hand, cash held as collateral and deposits at call with financial institutions, earn interest at floating rate as determined by the financial institutions.

(d) Derivative Cash Accounts

Included in the cash and cash equivalents are derivative cash accounts which comprise of margin accounts and cash held as collateral for derivative transactions.

	30/06/2025 \$'000	30/06/2024 \$'000
Fortlake Real-Higher Income Fund	155,862	8,624

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

9. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

The Responsible Entity of the Fund is Colonial First State Investments Limited.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 15
400 George Street, Sydney, New South Wales, 2000.

(b) Details of Key Management Personnel

(i) Key Management Personnel

The Directors of Colonial First State Investments Limited are considered to be Key Management Personnel. The Directors of the Responsible Entity in office during the period and up to the date of the report are:

Name of Director	Date of Appointment or Resignation
Murray Coble	Appointed on 30 May 2022.
JoAnna Fisher	Appointed on 30 May 2022.
Martin Codina	Resigned on 31 July 2025.
Bryce Sterling Quirk	Appointed on 31 July 2025.

(ii) Compensation of Key Management Personnel

No amounts are paid by the Fund directly to the Directors of the Responsible Entity of the Fund.

(c) Responsible Entity's Management Fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive monthly management fees which are expressed as a percentage of the total assets of the Fund (i.e. excluding liabilities). Management fees are paid directly by the Fund. The table below shows the current fee rates charged.

Where monies are invested into other funds managed by the Responsible Entity the management fees are calculated after rebating fees charged in the underlying funds. As a consequence, the amounts shown in the Statement of Comprehensive Income reflect only the amount of fees charged directly to the Fund.

The management fees rate charged for the current and comparative reporting periods are as follows:

	1/07/2024 - 30/06/2025 %	1/07/2023 - 30/06/2024 %
Management fees rate for the reporting periods	0.72	0.48

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

9. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees (continued)

The Responsible Entity's management fees charged for the reporting periods are as follows:

	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
	\$	\$
Management fees charged/(refunded) for the reporting periods	1,389,699	910,403

Fees due to/(refund from) the Responsible Entity as at the end of the reporting period.

	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
	\$	\$
Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods	127,930	80,528

(d) Management Expenses Recharged

The Responsible Entity is responsible for paying the custody fees on behalf of the Fund. The amount paid is based on the overall arrangement in place with the custodian. The Responsible Entity recharges the custody fees to the Fund. The amount recharged is disclosed as "Custody Fees" in the "Statement of Comprehensive Income", if any.

The Responsible Entity is also responsible for paying certain expenses (such as audit fees, printing and postage) for the Fund. The amount recharged is disclosed under "Expenses Recharged" in the "Statement of Comprehensive Income", if any.

(e) Bank and Deposit Accounts

Fees and expenses on bank accounts and 11am deposit accounts for the Fund is negotiated on an arm's length basis.

(f) Units Held by Related Parties

Other funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the Fund. Such activity is undertaken in the ordinary course of business at entry and exit prices available to all investors at the time of the transaction.

There is no interest of Colonial First State Investments Limited and its associates in the Fund.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

9. RELATED PARTIES DISCLOSURES (continued)

(g) Related Party Transactions

The Fund may transact with other managed investment schemes, which are also managed by the Responsible Entity. These transactions normally consist of the sale or purchase of units in related managed investment schemes and receipt and payment of distributions on normal commercial terms and conditions.

(i) Terms and Conditions of Transactions with Related Parties

All related party transactions are made in arm's length transactions on normal commercial terms and conditions. Outstanding balances at period end are unsecured and settlement occurs in cash.

(ii) Guarantees

There have been no guarantees provided or received for any related party receivables.

(h) Investing Activities

The Fund did not invest in any related managed investment schemes.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT

Investing activities of a Fund may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The overall risk management programme focuses on ensuring compliance with its Product Disclosure Statement/Information Memorandum and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. A Fund may use derivative financial instruments to alter certain risk exposures. Financial risk management is carried out by the respective investment management departments (Investment Managers) and regularly monitored by the Investment Review Services Department of the Responsible Entity.

Different methods are used to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ratings analysis for credit risk.

(a) Market Risk

(i) Price Risk

Financial assets are either directly or indirectly exposed to price risk. This arises from investments held for which prices in the future are uncertain. They are classified on the balance sheet at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Paragraph (ii) below sets out how this component of price risk is managed and measured.

An Investment Manager may mitigate price risk through diversification and a careful selection of securities and other financial instruments within specified limits and guidelines in accordance with the Product Disclosure Statement/Information Memorandum or Constitutions and are monitored by the Investment Review Services Department of the Responsible Entity.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements summarises the impact of an increase/decrease of the Australian and global indexes on the Fund's net assets attributable to unitholders at the end of the reporting periods. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled with all other variables held constant and that fair values of the Fund move according to the historical correlation with the indexes.

(ii) Foreign Exchange Risk

A fund may hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

The Fund may manage this risk by entering into foreign exchange forward contracts to hedge the risks. The terms and conditions of these contracts rarely exceed twelve months and are contracted in accordance with the investment guidelines.

The table below summarises the Fund's assets and liabilities, monetary and non-monetary, that are denominated in a currency other than the Australian dollar.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

	United States Dollar	European Euro			Others
30/06/2025	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	25,166	10,460	-	-	(14)
Financial assets held at FVTPL*	34,026	-	-	-	-
Derivatives	67,626	66,464	-	-	-
Bank overdraft	(18,166)	-	-	-	-
Financial liabilities held at FVTPL*					
- Derivatives	(114,697)	(101,236)	-	-	-
- Repurchase agreement	-	-	-	-	-
	(6,045)	(24,312)	-	-	(14)
Net increase/decrease in exposure from:					
- foreign currency contract	(212)	-	-	-	-
- cross currency swap	-	-	-	-	-
	(6,257)	(24,312)	-	-	(14)
30/06/2024	United States Dollar	European Euro	-	-	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Bank overdraft	(17,356)	(8,881)	-	-	-
Financial liabilities held at FVTPL*					
- Derivatives	(4,410)	(5,164)	-	-	-
- Repurchase agreement	-	-	-	-	-
	(21,766)	(14,045)	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	(21,766)	(14,045)	-	-	-

* FVTPL denotes Fair Value through profit and loss

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar strengthened/weakened by a pre-determined percentage as disclosed in the table for the reporting periods against each of the other currencies to which the Fund is exposed.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk

Interest bearing financial instruments are exposed to fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. Cash flow interest rate risk arises on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk. The risk is measured using sensitivity analysis.

The Fund may also enter into derivative financial instruments to mitigate the risk of future interest rate changes in accordance with the risk policies and guidelines of the Investment Managers. These transactions are regularly monitored by the Investment Review Services Department of the Responsible Entity. The table below summarises the Fund's exposure to interest rate risks other than in cash only. It includes the Fund's assets and liabilities at fair values.

Fortlake Real-Higher Income Fund				
1				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2025				
Financial assets				
Cash and cash equivalents	191,152	-	-	191,152
Receivables	-	-	818	818
Financial assets held at fair value through profit or loss	-	145,781	-	145,781
Derivatives	3,132	3,853	131,164	138,149
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(8,872)	(8,872)
Bank overdraft	(18,166)	-	-	(18,166)
Financial liabilities held at fair value through profit or loss				
- Securities - Short Sell	-	-	-	-
- Derivatives	(882)	(15,703)	(206,222)	(222,807)
- Repurchase agreement	-	(19,581)	-	(19,581)
	175,236	114,350	(83,112)	206,474
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	5,281,777	(5,281,777)	-	-
Net exposure	5,457,013	(5,167,427)	(83,112)	206,474
30/06/2024				
Financial assets				
Cash and cash equivalents	75,074	-	-	75,074
Receivables	-	-	443	443
Financial assets held at fair value through profit or loss	-	154,287	403	154,690
Financial liabilities				
Payables	-	-	11,769	11,769
Bank overdraft	26,237	-	-	26,237
Financial liabilities held at fair value through profit or loss				
- Derivatives	-	-	(12,372)	(12,372)
- Repurchase agreement	-	(5,162)	-	(5,162)
	101,311	149,125	243	250,679
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	(372,340)	372,340	-	-
Net exposure	(271,029)	521,465	243	250,679

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk

An analysis of financial liabilities by maturities is provided under "Liquidity Risk" of the "Financial Risk Management" note to the financial statements.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates increase or decrease by a "predetermined basis points" from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities. The "predetermined basis points" are disclosed in the table below.

(b) Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Fund's operating profit or loss and net assets attributable to unitholders to interest rate risk, foreign exchange risk and other price risk. 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 foreign exchange rates, 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 shocks resulting from changes in the performance of and/or correlation between the performance 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 variations in the risk variables.

The Fund may not be subject to all these risks and are denoted with "-" in the table below.

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
30/06/2025	-100 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-5.00% \$'000	5.00% \$'000
	5,414	(6,370)	(1,778)	1,778	-	(355)
30/06/2024	-100 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-5.00% \$'000	5.00% \$'000
	2,031	(1,016)	1,270	(1,270)	7,244	(7,244)

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high credit rating. The Fund's investments in managed investment schemes are subject to credit risk at the point in time it renders its investment. However, as the Responsible Entity of the Fund is the same as the underlying investment, the credit risk is deemed to be insignificant.

The Fund may transact in derivatives in the over the counter (OTC) markets. OTC derivatives are entered into directly with the counterparty as there is no Clearing House arrangement. Such transactions are only dealt through suitably credit-worthy counterparties. The maximum exposure to credit risk for these OTC derivatives is the contract/notional amount, as shown in the "Derivative Financial Instruments" note to the financial statements.

Derivatives may be traded on an exchange (exchange traded) or they may be privately negotiated contracts, which are referred to as Over The Counter (OTC) derivatives. The Fund's OTC derivatives are cleared and settled either through central clearing counterparties (OTC-cleared), or bilateral contracts between two counterparties.

The Fund invests in debt securities which have an investment grade as rated by the Standard & Poor's rating agency. For unrated assets a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a credit rating of at least AA.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets and the contract/notional amount of the OTC derivatives. An analysis of debt securities by rating is set out in the table below:

	30/06/2025 \$'000	30/06/2024 \$'000
Rating		
A+	-	9,013
A	-	11,528
A-	4,026	51,529
B	44,218	-
Others	-	46,775
Non-rated	97,537	35,442
Total	145,781	154,287

The Fund has entered into a credit support agreement with various counterparties which allow the Fund to pledge cash and securities as collateral to cover unrealised hedge exposures on certain derivatives. Under this agreement, the Fund can provide securities in the form of cash, listed equities or debt securities to a counterparty as collateral on terms which permit the counterparty to repledge or resell these securities to others. The counterparties have an obligation to return the securities or equivalent credit support (i.e. securities of the same type, nominal value, description and amount) to the Fund. The risks and benefits of ownership of the securities remain with the Fund and therefore the securities have not been derecognised (i.e. treated as having been sold). These asset are included as Financial Assets held at fair value through profit and loss in the Balance Sheet.

The amount of financial assets or cash held as collateral are listed below:

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The Fund may engage in repurchase and reverse repurchase transactions. Under the terms of a repurchase agreement, the Fund takes possession of an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and the Fund to resell the obligation at an agreed-upon price and time. The underlying securities for all repurchase agreements are held in safekeeping at the Fund's custodian. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Securities purchased under repurchase agreements are reflected as an asset in the statement of financial position. If the counterparty should default, the Fund will seek to sell the securities which it holds as collateral to reduce its losses. This could involve procedural costs or delays in addition to a loss on the securities if their value should fall below their repurchase price.

The counterparties to the outstanding repurchase/reverse repurchase agreements as at 30 June 2025 were Mizuho Securities with a rating of A, and HSBC Securities with a rating of A+. As at 30 June 2025 the securities pledged as collateral under the repurchase agreement have a fair value of \$22.1m (2024: \$5.2m).

(d) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

The Fund's listed securities are considered readily realisable, as they are listed on either the Australian Securities Exchange or other recognised International Stock Exchanges.

The Fund may, from time to time, invests in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. Investments with a higher liquidity risk have been disclosed under "Level 3" in the "Fair Value Hierarchy" of "Financial Assets Held at Fair Value Through Profit or Loss" note to the financial statements.

The Fund's financial liabilities, excluding derivative financial liabilities, comprise trade and other payables and are contractually due within 30 days.

The table below analyses the Fund's derivative financial instruments into relevant maturity groupings based on the remaining period to the contractual maturity date at the year end date. The amounts disclosed in the table are the contractual undiscounted gross cash flows expected to be paid or received, determined by reference to the conditions existing at the reporting period end date. The contractual amounts can be settled on a gross or net basis.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
30/06/2025							
Derivatives:							
Inflows	4,041	217,734	293,591	206,028	131,854	194,366	1,047,614
(Outflows)	(14,215)	(288,414)	(337,820)	(301,950)	(189,433)	(275,354)	(1,407,186)
30/06/2024							
Derivatives:							
Inflows	-	403	91	3,111	10,764	32,322	46,691
(Outflows)	(1,853)	(1,730)	(2,014)	(14,187)	(7,298)	(29,311)	(56,393)

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

- hedging to protect an asset or liability against a fluctuation in market values, to reduce volatility or as a substitution for trading of physical securities and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

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

Derivative instruments used by the Fund may include the following:

- **Futures**

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised market.

- **Options**

An option is a contractual agreement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or buy a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price. The Fund is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value.

- **Forward Currency Contracts**

Forward currency contracts are primarily used by a 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 currency 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.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

- Interest Rate Swaps

Interest rate swap contracts are agreements under which the parties exchange one stream of interest for another. They are used to hedge cash flows against unfavourable movements in interest rates. The contracts are for interest rates on notional principal amounts and can cover, for example, fixed interest rate to floating rate or fixed rate and floating rate to fixed rate. The party with the higher interest obligation pays the net amount to the other party. The amount received is considered an offset to the interest on investment or debt hedged. At reporting dates, the differences expected to be paid or received on the maturity of the contracts are marked-to-market with the unrealised gains and losses being recognised in investment revenue.

- Cross Currency Swaps

A cross currency swap is a foreign exchange agreement between two parties to exchange principal and interest payments on a loan in one currency for principal and interest payments on an equal (regarding net present value) loan in another currency. Unlike interest rate swaps, cross currency swaps involve the exchange of the principal amount. Interest payments are not netted (as they are in interest rate swaps) because they are denominated in different currencies. Cross currency swaps are valued at fair value which is based on the estimated amount the Fund would pay or receive to terminate the currency derivatives at the balance sheet date, taking into account current interest rates, foreign exchange rates, volatility and the current creditworthiness of the counterparties.

- Credit Default Swaps

A credit default swap is a swap contract in which the buyer makes a series of payments to the seller and, in exchange, receives a payoff if a particular credit event occurs. The credit event can be a credit instrument, typically a bond or loan, that goes into default or a company undergoing restructuring, bankruptcy or having its credit rating downgraded. Credit derivatives are valued at fair value which is based on the estimated amount the Fund would pay or receive to terminate these derivatives at the balance sheet date, taking into account current interest rates, volatility and credit risk.

- Warrants

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period. Warrants are valued at the prevailing market price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

Derivative financial instruments of the Fund at reporting period end are detailed below:

	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2025			30/06/2024	
	\$'000	\$'000	\$'000		\$'000	\$'000
- Futures	270,411	927	(181)	-	-	-
- Options	(1,558,053)	-	(7,101)	-	-	-
- Forward Currency Contracts	136,887	1,327	(855)	-	-	-
- Interest rate swaps	5,281,777	6,058	(27,445)	372,340	-	(14,167)
- Cross currency swaps	-	-	-	-	-	-
- Credit default swaps	2,341,661	129,837	(187,225)	(28,700)	6,442	-
	6,472,683	138,149	(222,807)	343,640	6,442	(14,167)

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

12. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund will present the fair value of its derivative assets and liabilities on a gross basis. Certain derivative financial instruments are subject to enforceable master netting arrangements, such as an International Swaps and Derivatives Association (ISDA) master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the ISDA agreement are terminated, the termination value is assessed and only a single net amount may be payable in settlement of all transactions.

The Fund does not invest in derivatives and is therefore not subject to master netting arrangements.

The Fund is not subject to master netting arrangements.

The gross and net positions of financial assets and liabilities that have been offset in the balance sheet are disclosed below:

Legends for the table below:

a - Gross amounts of financial assets/(liabilities)

b - Gross amounts set off in the statement of financial position

c - Net amounts of financial assets/(Liabilities) presented in the statement of financial position

d - Amounts subject to Master netting arrangements which are not currently enforceable

e - Financial Instrument collateral

f - Cash Collateral

g - Net Amount

Fortlake Real-Higher Income Fund						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
30/06/2025						
Derivatives:						
- Assets	138,149	-	138,149	(136,750)	-	14,180
- Liabilities	(222,807)	-	(222,807)	136,750	-	(17,125)
30/06/2024						
Derivatives:						
- Assets	403	-	403	-	-	-
- Liabilities	(12,372)	-	(12,372)	-	-	-

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where 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 balance sheet, but have been presented separately in the above table.

FORTLAKE REAL-HIGHER INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

13. STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Fund's power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, the Fund applies the Investment Entity Exemption available under AASB10 and therefore does not consolidate its controlled entities (Note 2(q)). In other cases it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Fund. Such interests include holdings of units in unlisted trusts, including managed investment schemes. The nature and extent of the Fund's interests in structured entities are titled "managed investment schemes" and form part of "Financial Assets Held at Fair Value through Profit or Loss" which are summarised in Note 2(b).

The Fund has exposures to unconsolidated structured entities through trading activities. The Fund typically has no other involvement with the structured entity other than the securities it holds as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset.

Exposure to trading assets are managed in accordance with financial risk management practices as set out in "Financial Risk Management" note, which includes an indication of changes in risk measures compared to prior year.

14. CONTINGENT LIABILITIES AND COMMITMENTS

The Fund did not have any contingent liabilities or commitments at the end of the current and previous reporting periods.

15. EVENTS AFTER BALANCE SHEET

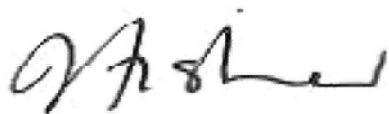
No significant events have occurred since balance sheet date which would impact on the financial positions of the Fund disclosed in the Balance Sheet as at 30 June 2025 or on the results and cash flows of the Fund for the reporting period ended on that date.

FORTLAKE REAL-HIGHER INCOME FUND
DIRECTORS' DECLARATION
FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

In the opinion of the Directors of Colonial First State Investments Limited:

- a) the financial statements and notes to the financial statements of the above mentioned Fund 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 reporting period 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, and
- c) the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board as stated in Note 2(a)(i).

This declaration is made in accordance with a resolution of the directors.



JoAnna Fisher
Director
Sydney
17 September 2025



Independent Auditor's Report

To the unitholders of Fortlake Real-Higher Income Fund

Opinion

We have audited the **Financial Report** of the Fortlake Real-Higher Income Fund (the Fund).

In our opinion, the accompanying **Financial Report** of the Fund gives a true and fair view, including 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:

- Balance Sheet as at 30 June 2025;
- 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 policies; and
- 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 audits of the Financial Reports* section of our report.

We are independent of the Fund 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 Reports 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 Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Colonial First State Investments Limited (the Responsible Entity) are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' 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. 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.

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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 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 controls 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; and
- 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 respective 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.

KPMG

KPMG

Joshua Pearse
Partner
Sydney
17 September 2025

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

ARSN : 645 064 991

ANNUAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Responsible Entity of the Fund

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN: 98 002 348 352

Level 15, 400 George Street
SYDNEY NSW 2000

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

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FORTLAKE REAL-INCOME FUND (MANAGED FUND)

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Fund, present their report together with the Financial Report of the Fund for the reporting period as stated below and the auditor's report thereon.

Reporting Period

The current reporting period for the financial report is from 1 July 2024 to 30 June 2025. The comparative reporting period is from 1 July 2023 to 30 June 2024.

Date of Constitution and Date of Registration of the Fund

The date of Constitution and Registration of the Fund with the Australian Securities & Investment Commission (ASIC) are as follows:

Date of Constitution	18/09/2020
Date of Registration	26/10/2020

Principal Activities

The principal activities of the Fund is to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statement and its Constitution.

Please refer to the current Product Disclosure Statement for more information.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' Report have been rounded to either the nearest dollar or the nearest thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, as indicated.

Comparatives

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in current reporting period.

Review of Operations

Income

The result of the operation for the Fund for the current and previous reporting periods are tabled below:

	Period ended 30/06/2025 \$'000	Period ended 30/06/2024 \$'000
Operating profit/(loss) attributable to unitholders	21,245	27,892

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Review of Operations (continued)

Distribution to unitholders

The total amount distributed to unitholders for the current and previous reporting periods are as follows:

	Period ended 30/06/2025 \$'000	Period ended 30/06/2024 \$'000
Amount distributed during the reporting periods	52,217	32,014

Details of the income distributions for the reporting periods ended 30 June 2025 and 30 June 2024 are disclosed in the "Distributions to Unitholders" note to the financial statements.

Exit Prices

The exit price is the price at which unitholders realise an entitlement in a fund and is calculated by deducting a predetermined cost of selling (commonly known as the "sell spread"), if applicable, from the net asset value per unit ("NAV unit price") of a fund. NAV unit price is calculated by taking the total fair value of all of the Fund's assets on a particular day, adjusting for any liabilities and then dividing the net fund value by the total number of units held by unitholders on that day.

The following unit price represents the ex-distribution exit unit price as at 30 June 2025, together with comparative unit price as at 30 June 2024:

	30/06/2025 \$	30/06/2024 \$
Ex-distribution exit unit price	25.5366	26.6444

Responsible Entity and Directors

The Responsible Entity of the Fund is Colonial First State Investments Limited (the Responsible Entity).

The Directors of the Responsible Entity in office during the period and up to the date of the report are:

Name of Director	Date of Appointment or resignation
Murray Coble	Appointed on 30 May 2022.
JoAnna Fisher	Appointed on 30 May 2022.
Martin Codina	Resigned on 31 July 2025.
Bryce Sterling Quirk	Appointed on 31 July 2025.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 15, 400 George Street, Sydney, New South Wales, 2000.

Scheme Information

The Fund is a registered managed investment scheme domiciled in Australia and has its principal place of business at Level 15, 400 George Street, Sydney, New South Wales, 2000.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Unit Pricing Adjustments Policy

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and where relevant, transaction costs. When the factors used to calculate the unit price are incorrect an adjustment to the unit price may be required. The Responsible Entity uses a tolerance level of 0.30% (0.05% for a cash investment option) in the unit price to assess corrections.

If a unit pricing error is greater than these tolerance levels the Responsible Entity will:

- compensate unitholders' accounts balance if they have transacted on the incorrect unit price or make other adjustments as the Responsible Entity may consider appropriate, or
- where unitholders' accounts are closed the Responsible Entity will send them a payment if the amount of the adjustment is more than \$20.

These tolerance levels are consistent with regulatory practice guidelines and industry standards. In some cases, the Responsible Entity may compensate where the unit pricing error is less than the tolerance levels.

Significant Changes in the State of Affairs

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

There were no other significant changes in the nature of the Fund's activities during the reporting period.

Matters Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the current reporting period that have significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial periods, or
- (ii) the results of those operations in future financial periods, or
- (iii) the state of affairs of the Fund in future financial periods.

Indemnification and Insurance Premiums for Officers and Auditor

No insurance premiums are paid for out of the assets of the Fund in relation to insurance cover provided to the Responsible Entity or the auditor of the Fund. So long as the officers of the Responsible Entity act in accordance with the 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 auditor of the Fund is in no way indemnified out of the assets of the Fund.

Likely Developments and Expected Results of Operations

The Fund is expected to continue to operate within the terms of its Constitution, and will continue to invest in accordance with its investment objectives and guidelines.

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.

At the time of preparing this report the Responsible Entity is not aware of any likely developments which would impact upon the future operations of the Fund.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Fees Paid to and Received by the Responsible Entity or its Associates

Fees paid or payable to the Responsible Entity and its associates out of the Fund's assets during the reporting period are disclosed in the Statement of Comprehensive Income.

No fees were paid to the Directors of the Responsible Entity during the reporting period out of the Fund's assets.

Interests in the Fund

The units issued and redeemed in the Fund during the period and the number of units on issue at the end of the financial period are set out in "Changes in Net Assets Attributable to Unitholders" note to the financial statements. The value of the Fund's assets at the end of the financial period is set out in the Balance Sheet.

Any interests in the Fund held by the Responsible Entity or its associates at the end of the reporting period are disclosed in the "Related Parties Disclosure" note to the financial statements.

There are no interests in the Fund held by the Responsible Entity or its associates at the end of the reporting period.

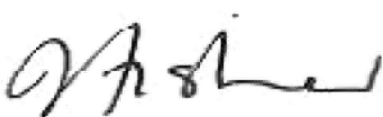
Environmental Regulation

The Fund's operations are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

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 in the following page.

Signed in accordance with a resolution of the Directors of Colonial First State Investments Limited.



JoAnna Fisher
Director
Sydney
17 September 2025



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

To the Directors of Colonial First State Investments Limited as the Responsible
Entity for Fortlake Real-Income Fund (Managed Fund)

I declare that, to the best of my knowledge and belief, in relation to the audit of the above 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.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Joshua Pearce'.

Joshua Pearce
Partner
Sydney
17 September 2025

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

STATEMENT OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

	Note	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
Investment Income		\$'000	\$'000
Interest income	4	35,405	12,311
Net gains/(losses) on financial instruments at fair value through profit or loss		(8,696)	22,514
Other income		1,213	-
Net foreign exchange gain/(loss)		1,289	332
Total investment income/(loss)		29,211	35,157
Expenses			
Responsible Entity's management fees	9(c)	3,680	1,244
Expenses recharged	9(d)	923	844
Interest expenses		3,257	2,478
Other expenses		106	2,699
Total operating expenses		7,966	7,265
Profit/(Loss) for the period		21,245	27,892
Other comprehensive income for the period		-	-
Total comprehensive income for the period		21,245	27,892

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

BALANCE SHEET AS AT 30 JUNE 2025

	Note	30/06/2025 \$'000	30/06/2024 \$'000
Assets			
Cash and cash equivalents		190,559	105,288
Trade and other receivables:			
- due from brokers - receivable for securities sold		315	-
- application monies		11,823	430
- interest		152	-
- others		113	210
Financial assets at fair value through profit or loss	6	804,023	375,582
Other assets		-	-
Total assets		1,006,985	481,510
Liabilities			
Bank overdraft & margin account		22,940	27,194
Trade and other payables:			
- due to brokers - payable for securities purchased		1	-
- redemptions		141	2,830
- interest on loans		102	-
- others		-	181
Distribution payable	9(c)	16,985	12,569
Responsible Entity - fee payable	9(c)	369	147
Financial liabilities at fair value through profit or loss	6	281,103	17,392
Total liabilities		321,641	60,313
Net assets attributable to unitholders - equity		685,344	421,197

The above Balance Sheet should be read in conjunction with the accompanying notes.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2025

	Note	30/06/2025 \$'000	30/06/2024 \$'000
Opening equity at the beginning of the period	7	421,197	157,316
Profit/(Loss) for the period		21,245	27,892
Other comprehensive income for the period		-	-
Total comprehensive income for the period		21,245	27,892
Transactions with owners in their capacity as owners			
Distribution to unitholders	5,7	(52,217)	(32,015)
Application of units	7	433,061	418,528
Redemption of units	7	(143,959)	(159,995)
Reinvestment during the period	7	6,017	9,471
Closing equity at the end of the period	7	685,344	421,197

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

**CASH FLOW STATEMENT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2025**

	Note	1/07/2024 - 30/06/2025 \$'000	1/07/2023 - 30/06/2024 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at FVTPL*		798,862	12,341
Payments for purchase of financial instruments at FVTPL*		(976,286)	(229,690)
Interest received		39,331	6,993
Responsible Entity fee received/ (paid)		(3,375)	(2,017)
Interest paid		(2,892)	-
Other receipts/(payments)		(245)	(2,699)
Net cash (used in)/from operating activities	8(a)	(144,605)	(215,072)
Cash flows from financing activities			
Receipts from issue of units		421,668	421,365
Payment for redemption of units		(146,648)	(157,391)
Distributions paid		(41,784)	(22,717)
Net cash (used in)/from financing activities		233,236	241,257
Net movement in cash and cash equivalents		88,631	26,185
Effects of exchange rate changes		894	332
Add opening cash and cash equivalents brought forward		78,094	51,578
Closing cash and cash equivalents carried forward		167,619	78,095

There have been no inflows/outflows related to investing activities during the period.

Non-cash operating and financing activities are disclosed in part (b) under "Cash and Cash Equivalents" note to the financial statements. Non-cash financing and investing activities relating to the reinvestment of distributions are disclosed in the "Net Assets Attributable to Unitholders" note.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

* FVTPL - Fair Value through Profit and Loss

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

1. GENERAL INFORMATION

The Fund covered in this Financial Report is Fortlake Real-Income Fund (Managed Fund).

The date of Constitution and Registration of the Fund with the Australian Securities & Investment Commission (ASIC) are as follows:

Date of Constitution	18/09/2020
Date of Registration	26/10/2020

The Responsible Entity of the Fund is Colonial First State Investments Limited (the Responsible Entity).

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 15, 400 George Street, Sydney, New South Wales, 2000.

The principal activities of the Fund is to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statement and its Constitution.

Please refer to the current Product Disclosure Statement for more information.

The Financial Report was authorised for issue by the Directors of the Responsible Entity on 17 September 2025. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

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 the periods presented, unless otherwise stated.

(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 and the Corporations Act 2001 in Australia. The Fund is a for-profit unit trust for the purpose of preparing these financial statements.

The Balance Sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets 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 12 months, however, an estimate of that amount cannot be determined as at balance date.

The current reporting period for the financial report is from 1 July 2024 to 30 June 2025. The comparative reporting period is from 1 July 2023 to 30 June 2024.

Both the functional and presentation currency of the Fund are Australian dollars.

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in the current reporting period. There is no impact on the previously reported net assets, net profit, changes in equity or net cash flows of the fund.

The Fund is a registered scheme of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded to either the nearest dollar or the nearest thousand dollars, as indicated.

(i) Compliance with International Financial Reporting Standards

The Financial Report also comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

(ii) New and Amended Standards adopted by the Fund

The Fund has adopted the following Australian Accounting Standards for the reporting period beginning 1 July 2024:

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

AASB 2021-2 became effective for annual reporting periods beginning on or after 1 January 2023. The amendments require the disclosure of material accounting policies rather than significant accounting policies and clarify the distinction between accounting policies and accounting estimates. The amendments do not result in any changes to the accounting policies.

There are no other new accounting standards, amendments and interpretations that are effective for the first time for the reporting period beginning 1 July 2024 and have a material impact on the financial statements of the Fund.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Investments in Financial Assets and Liabilities at Fair Value through Profit or Loss

(i) Classification

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

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model objective. Consequently, the debt securities are measured at fair value through profit or loss.

Liabilities

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

(ii) Recognition/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 have been transferred and the Fund has transferred substantially all of the risks and rewards of ownership.

(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.

For further details on how the fair values of financial instruments are determined please see "Financial Assets and Liabilities at Fair Value through Profit or Loss" note to the financial statements.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet 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. Refer to the "Offsetting Financial Assets and Financial Liabilities" note to the financial statements for further information.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) 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. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

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

Other changes in fair value for such instruments are recorded in accordance with the policies described in the "Financial assets and liabilities at fair value through profit or loss" note to the financial statements.

(d) 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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross 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.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank, deposits at call with financial institutions, short-term and highly liquid financial assets with an original maturity 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.

For the purposes of the Cash Flow Statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts which are shown as a liability in the Balance Sheet.

Derivative cash accounts comprise of margin accounts and cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(f) Receivables

Receivables may include amounts for dividends, interest, trust distributions and application receivables. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(c) above. Amounts are generally received within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

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

The carrying amount of receivables is a reasonable approximation of fair value due to their short term nature.

(g) Payables

Payables include liabilities, accrued expenses and redemption payables owing by the Fund which are unpaid as at the end of the reporting period. As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the balance sheet as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

The carrying amount of payables is a reasonable approximation of fair value due to their short term nature.

(h) Taxation

Under current legislation, the Fund is not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

(i) Distributions to Unitholders

Distributions are payable as set out in the Fund's Product Disclosure Statement/Information Memorandum. Such distributions are determined by the Responsible Entity of the Fund. Distributable income includes capital gains arising from the disposal of financial assets and liabilities held at fair value through profit or loss. Unrealised gains and losses on financial assets and liabilities held at fair value through profit or loss that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) 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 balance sheet 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 unfavorable 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's units have been classified as equity as they satisfied all the above criteria.

The carrying amount of net assets attributable to unitholders is a reasonable approximation of fair value.

(k) Terms and Conditions on Units

Each unit issued confers upon the unitholder an equal interest in the Fund and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their units redeemed;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

(l) Applications and Redemptions

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

(m) Goods and Services Tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST.

Reduced input tax credits (RITC) recoverable by the Fund from the Australian Taxation Office are recognised as receivables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(n) Expense Recognition

All expenses, including responsible entity fees and custodian fees, are recognised in profit or loss on an accrual basis.

(o) Use of Estimates

The Responsible Entity makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

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

(p) Unit Prices

Unit prices are determined in accordance with the Fund's Constitution and are calculated as the net assets attributable to unitholders, divided by the number of units on issue. Financial assets and liabilities held at fair value through profit or loss for unit pricing purposes are valued on a "last sale" price basis.

(q) Investment Entity

The Responsible Entity has determined that the Fund is an investment entity under the definition in AASB 10 Consolidated Financial Statements as it meets the following criteria:

- (a) the Fund has obtained funds from unitholders for the purpose of providing them with investment management services;
- (b) the Fund's business purpose, which it communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and
- (c) the performance of investments made by the Fund is measured and evaluated on a fair value basis.

The Fund also meets all of the typical characteristics of an investment entity.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(r) Transactions in Foreign Currencies

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.

The Fund mainly transacts in Australian currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the Balance Sheet date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in a previous financial report, are recognised in the profit or loss in the period in which they arise.

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

(s) New Application of Accounting Standards

New standards, amendments and interpretations effective after 1 July 2024 and have not been early adopted.

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2025 reporting period and have not been early adopted in preparing these financial statements. Most of these are not expected to have a material impact on the financial statements of the Fund. However, management is still in the process of assessing the impact of the new standard AASB 18 Presentation and Disclosure in Financial Statements which was issued in June 2024 and replaces AASB 101 Presentation of Financial Statements.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(t) Purchase and reverse repurchase agreements

Repurchase agreements

Under repurchase agreements, the Funds take possession of underlying debt obligations (collaterals) subject to an obligation of the seller to repurchase, and the Funds to resell, the obligation at an agreed-upon price and time.

The underlying securities are held in safekeeping by the Funds' custodian under a tri-party repurchase agreement. The market value of the collaterals are equal to or greater than the total amount of the repurchase obligations, including interests.

Securities purchased under repurchase agreements are reflected as financial assets at fair value. Interests earned are recorded as a component of interest income.

In the event of counterparty default, the Funds have the right to use the collateral to offset losses incurred. If the counterparty should default, the Funds will seek to sell the securities which they hold as collaterals.

Reverse repurchase agreements

Under reverse repurchase agreements, the Funds sell securities that they hold with agreements to repurchase the same securities at an agreed-upon price and date. Securities sold under reverse repurchase agreements are reflected as a financial liability at fair value. Interest payments are recorded as a component of interest expense. The Funds may receive a fee for use of the securities by the counterparty, which may result in interest income to the Funds.

A reverse repurchase agreements involve the risk that the market value of the securities sold by Funds may decline below the repurchase price of the securities. The Funds segregate assets determined to be liquid or otherwise covers their obligations under reverse repurchase agreements.

3. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable, by the Responsible Entity, for services provided by KPMG as the auditor of the Fund and by KPMG related network firms.

Auditors remuneration was paid to KPMG in FY25 (FY24: Ernst & Young) due to change of auditor.

	1/07/2024 - 30/06/2025 \$	1/07/2023 - 30/06/2024 \$
Audit and review of the financial reports	5,000	41,920
Other regulatory services	308	7,804
Other non-assurance services	-	10,000
Total services provided by KPMG	5,308	59,724

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

4. INTEREST INCOME

The interest income of the Fund is summarised as follows:

	1/07/2024 - 30/06/2025 \$'000	1/07/2023 - 30/06/2024 \$'000
Cash and cash equivalents	4,557	6,993
Debt securities	30,848	5,318
Total Interest Income	35,405	12,311

5. DISTRIBUTIONS TO UNITHOLDERS

The Responsible Entity adopts the policy of distributing as a minimum the net income for tax purposes. The amounts shown as "Distribution payable" in the Balance Sheet represent the components of the distributions for the reporting period which had not been paid at balance date.

The amounts distributed or proposed to be distributed to unitholders in cents per unit (cpu) during the period were:

Distribution Periods ended:	1/07/2024 - 30/06/2025 cpu \$'000	1/07/2023 - 30/06/2024 cpu \$'000
- 30 September	- 1	74.22 6,864
- 31 December	- -	57.39 6,653
- 31 March	140.00 33,466	46.50 5,929
- 30 June	70.07 18,750	79.51 12,569
Distributions to unitholders	52,217	32,014

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Fair Value Measurements

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss
- Derivative financial instruments

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

Other than the financial assets and liabilities classified as fair value through profit or loss, all other financial assets and liabilities of the fund are recognised initially at fair value and are subsequently measured at amortised cost.

The Funds value their investments in accordance with policies set out in the previously issued financial statements. For the majority of these investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

(b) Fair Value Hierarchy

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

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

(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 period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price, the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid and asking price to the net open position, as appropriate.

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

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(b) Fair Value Hierarchy (continued)

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

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

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

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

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

Investments in other managed investment schemes are recorded at the redemption value per unit as reported by the investment managers of such funds.

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, to allow for additional factors including liquidity risk and counterparty risk.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(c) Recognised Fair Value Measurements

The following table presents the Fund's assets and liabilities measured and recognised at fair value as at the end of the reporting periods.

Fortlake Real-Income Fund 1				
30/06/2025	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Debt Securities	626,604	-	626,604	-
Derivatives	177,419	1,035	176,384	-
Total Assets at fair value through profit or loss	804,023	1,035	802,988	-
Financial Liabilities at fair value through profit or loss				
Derivatives	(249,699)	(899)	(248,800)	-
Repurchase agreement	(31,404)	-	(31,404)	-
Total Liabilities at fair value through profit or loss	(281,103)	(899)	(280,204)	-
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
30/06/2024				
Financial Assets at fair value through profit or loss:				
Debt Securities	374,570	-	374,570	-
Derivatives	1,012	-	1,012	-
Total Assets at fair value through profit or loss	375,582	-	375,582	-
Financial Liabilities at fair value through profit or loss				
Derivatives	(17,392)	-	(17,392)	-
Total Liabilities at fair value through profit or loss	(17,392)	-	(17,392)	-

(d) Transfers between Levels

There are no material transfers between levels for the Fund during the current and previous reporting periods.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

7. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

(a) Movements in Number of Units and Net Assets Attributable to Unitholders

	1/07/2024 - 30/06/2025		1/07/2023 - 30/06/2024	
	No.'000	\$'000	No.'000	\$'000
Opening balance	15,808	421,197	5,891	157,316
Applications	16,250	433,061	15,471	418,528
Redemptions	(5,461)	(143,959)	(5,909)	(159,995)
Units issued upon reinvestment of distributions	230	6,017	355	9,471
Distribution to unitholders		(52,217)		(32,015)
Profit/(Loss)		21,245		27,892
Closing Balance	26,827	685,344	15,808	421,197

(b) Capital Risk Management

The Fund considers its net assets attributable to unitholders as capital. 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. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

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

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

8. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Profit/(Loss) Attributable to Unitholders to Net Cash from Operating Activities

	1/07/2024 - 30/06/2025 \$'000	1/07/2023 - 30/06/2024 \$'000
Profit/(Loss) attributable to unitholders	21,245	27,892
Proceeds from sale of financial assets and liabilities at fair value through profit or loss	798,862	12,341
Payments for purchase of financial assets and liabilities at fair value through profit or loss	(976,286)	(229,690)
Changes in fair value of financial assets and liabilities at fair value through profit or loss	8,696	(25,354)
Distribution or Dividend income reinvested	-	-
Net foreign exchange gain/(loss)	(1,289)	(332)
Change in receivables and other assets	3,998	(141)
Change in payables and other liabilities	169	212
Net Cash From/(Used In) Operating Activities	(144,605)	(215,072)

(b) Non-cash Operating and Financing Activities Carried Out During the Reporting Periods on Normal Commercial Terms and Conditions include:

- Reinvestment of unitholders distributions as disclosed under "Units issued upon reinvestment of distributions" in part (a) of the "Changes in Net Assets Attributable to Unitholders" note to the financial statements.
- Participation in dividend reinvestment plans as disclosed under "Distribution or Dividend Income Reinvested" in part (a) of the "Cash and Cash Equivalents" note to the financial statements.

(c) Terms and Conditions on Cash

Cash at bank and in hand, cash held as collateral and deposits at call with financial institutions, earn interest at floating rate as determined by the financial institutions.

(d) Derivative Cash Accounts

Included in the cash and cash equivalents are derivative cash accounts which comprise of margin accounts and cash held as collateral for derivative transactions.

	30/06/2025 \$'000	30/06/2024 \$'000
Fortlake Real-Income Fund	141,116	11,281

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

9. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

The Responsible Entity of the Fund is Colonial First State Investments Limited.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 15
400 George Street, Sydney, New South Wales, 2000.

(b) Details of Key Management Personnel

(i) Key Management Personnel

The Directors of Colonial First State Investments Limited are considered to be Key Management Personnel. The Directors of the Responsible Entity in office during the period and up to the date of the report are:

Name of Director	Date of Appointment or Resignation
Murray Coble	Appointed on 30 May 2022.
JoAnna Fisher	Appointed on 30 May 2022.
Martin Codina	Resigned on 31 July 2025.
Bryce Sterling Quirk	Appointed on 31 July 2025.

(ii) Compensation of Key Management Personnel

No amounts are paid by the Fund directly to the Directors of the Responsible Entity of the Fund.

(c) Responsible Entity's Management Fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive monthly management fees which are expressed as a percentage of the total assets of the Fund (i.e. excluding liabilities). Management fees are paid directly by the Fund. The table below shows the current fee rates charged.

Where monies are invested into other funds managed by the Responsible Entity the management fees are calculated after rebating fees charged in the underlying funds. As a consequence, the amounts shown in the Statement of Comprehensive Income reflect only the amount of fees charged directly to the Fund.

The management fees rate charged for the current and comparative reporting periods are as follows:

	1/07/2024 - 30/06/2025 %	1/07/2023 - 30/06/2024 %
Management fees rate for the reporting periods	0.65	0.41

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

9. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees (continued)

The Responsible Entity's management fees charged for the reporting periods are as follows:

	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
	\$	\$
Management fees charged/(refunded) for the reporting periods	3,678,044	1,244,212

Fees due to/(refund from) the Responsible Entity as at the end of the reporting period.

	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
	\$	\$
Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods	369,227	147,137

(d) Management Expenses Recharged

The Responsible Entity is responsible for paying the custody fees on behalf of the Fund. The amount paid is based on the overall arrangement in place with the custodian. The Responsible Entity recharges the custody fees to the Fund. The amount recharged is disclosed as "Custody Fees" in the "Statement of Comprehensive Income", if any.

The Responsible Entity is also responsible for paying certain expenses (such as audit fees, printing and postage) for the Fund. The amount recharged is disclosed under "Expenses Recharged" in the "Statement of Comprehensive Income", if any.

(e) Bank and Deposit Accounts

Fees and expenses on bank accounts and 11am deposit accounts for the Fund is negotiated on an arm's length basis.

(f) Units Held by Related Parties

Other funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the Fund. Such activity is undertaken in the ordinary course of business at entry and exit prices available to all investors at the time of the transaction.

There is no interest of Colonial First State Investments Limited and its associates in the Fund.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

9. RELATED PARTIES DISCLOSURES (continued)

(g) Related Party Transactions

The Fund may transact with other managed investment schemes, which are also managed by the Responsible Entity. These transactions normally consist of the sale or purchase of units in related managed investment schemes and receipt and payment of distributions on normal commercial terms and conditions.

(i) Terms and Conditions of Transactions with Related Parties

All related party transactions are made in arm's length transactions on normal commercial terms and conditions. Outstanding balances at period end are unsecured and settlement occurs in cash.

(ii) Guarantees

There have been no guarantees provided or received for any related party receivables.

(h) Investing Activities

The Fund did not invest in any related managed investment schemes.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT

Investing activities of a Fund may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The overall risk management programme focuses on ensuring compliance with its Product Disclosure Statement/Information Memorandum and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. A Fund may use derivative financial instruments to alter certain risk exposures. Financial risk management is carried out by the respective investment management departments (Investment Managers) and regularly monitored by the Investment Review Services Department of the Responsible Entity.

Different methods are used to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ratings analysis for credit risk.

(a) Market Risk

(i) Price Risk

Financial assets are either directly or indirectly exposed to price risk. This arises from investments held for which prices in the future are uncertain. They are classified on the balance sheet at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Paragraph (ii) below sets out how this component of price risk is managed and measured.

An Investment Manager may mitigate price risk through diversification and a careful selection of securities and other financial instruments within specified limits and guidelines in accordance with the Product Disclosure Statement/Information Memorandum or Constitutions and are monitored by the Investment Review Services Department of the Responsible Entity.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements summarises the impact of an increase/decrease of the Australian and global indexes on the Fund's net assets attributable to unitholders at the end of the reporting periods. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled with all other variables held constant and that fair values of the Fund move according to the historical correlation with the indexes.

(ii) Foreign Exchange Risk

A fund may hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

The Fund may manage this risk by entering into foreign exchange forward contracts to hedge the risks. The terms and conditions of these contracts rarely exceed twelve months and are contracted in accordance with the investment guidelines.

The table below summarises the Fund's assets and liabilities, monetary and non-monetary, that are denominated in a currency other than the Australian dollar.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

	European Euro	United States Dollar			Others
30/06/2025	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	12,146	21,296	-	-	156
Financial assets held at FVTPL*	12,236	55,253	-	-	-
Derivatives	69,179	104,348	-	-	-
Payables	-	-	-	-	(1)
Bank overdraft	(1,444)	(21,496)	-	-	-
Financial liabilities held at FVTPL*					
- Derivatives	(113,695)	(128,664)	-	-	-
	(21,578)	30,737	-	-	155
Net increase/decrease in exposure from:					
- foreign currency contract	-	368	-	-	-
- cross currency swap	-	-	-	-	-
	(21,578)	31,105	-	-	155
30/06/2024	United States Dollar	European Euro	-	-	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	(27,194)	-	-	-	-
Derivatives	525	-	-	-	-
Financial liabilities held at FVTPL*					
- Derivatives	(3,813)	(10,602)	-	-	-
	(30,482)	(10,602)	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	(30,482)	(10,602)	-	-	-

* FVTPL denotes Fair Value through profit and loss

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar strengthened/weakened by a pre-determined percentage as disclosed in the table for the reporting periods against each of the other currencies to which the Fund is exposed.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk

Interest bearing financial instruments are exposed to fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. Cash flow interest rate risk arises on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk. The risk is measured using sensitivity analysis.

The Fund may also enter into derivative financial instruments to mitigate the risk of future interest rate changes in accordance with the risk policies and guidelines of the Investment Managers. These transactions are regularly monitored by the Investment Review Services Department of the Responsible Entity. The table below summarises the Fund's exposure to interest rate risks other than in cash only. It includes the Fund's assets and liabilities at fair values.

Fortlake Real-Income Fund 1				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2025				
Financial assets				
Cash and cash equivalents	190,559	-	-	190,559
Receivables	-	-	12,403	12,403
Financial assets held at fair value through profit or loss	-	626,604	-	626,604
Derivatives	3,332	2,420	171,667	177,419
Financial liabilities				
Payables	-	-	(17,598)	(17,598)
Bank overdraft	(22,940)	-	-	(22,940)
Financial liabilities held at fair value through profit or loss				
- Derivatives	(11,560)	(6,084)	(232,055)	(249,699)
- Repurchase agreement	-	(31,404)	-	(31,404)
	159,391	591,536	(65,583)	685,344
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	5,391,135	(5,391,135)	-	-
Net exposure	5,550,526	(4,799,599)	(65,583)	685,344
30/06/2024				
Financial assets				
Cash and cash equivalents	105,288	-	-	105,288
Receivables	-	-	640	640
Financial assets held at fair value through profit or loss	-	374,570	1,012	375,582
Financial liabilities				
Payables	-	-	15,727	15,727
Bank overdraft	27,194	-	-	27,194
Financial liabilities held at fair value through profit or loss				
- Derivatives	-	-	(17,392)	(17,392)
- Repurchase agreement	-	-	-	-
	132,482	374,570	(13)	507,039
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	(583,620)	583,620	-	-
Net exposure	(451,138)	958,190	(13)	507,039

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk

An analysis of financial liabilities by maturities is provided under "Liquidity Risk" of the "Financial Risk Management" note to the financial statements.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates increase or decrease by a "predetermined basis points" from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities. The "predetermined basis points" are disclosed in the table below.

(b) Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Fund's operating profit or loss and net assets attributable to unitholders to interest rate risk, foreign exchange risk and other price risk. 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 foreign exchange rates, 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 shocks resulting from changes in the performance of and/or correlation between the performance 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 variations in the risk variables.

The Fund may not be subject to all these risks and are denoted with "-" in the table below.

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
30/06/2025	-100 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-5.00% \$'000	5.00% \$'000
	29,431	(30,384)	(1,097)	1,097	-	(354)
30/06/2024	-100 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-5.00% \$'000	5.00% \$'000
	4,799	(2,399)	2,305	(2,305)	282	(282)

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high credit rating. The Fund's investments in managed investment schemes are subject to credit risk at the point in time it renders its investment. However, as the Responsible Entity of the Fund is the same as the underlying investment, the credit risk is deemed to be insignificant.

The Fund may transact in derivatives in the over the counter (OTC) markets. OTC derivatives are entered into directly with the counterparty as there is no Clearing House arrangement. Such transactions are only dealt through suitably credit-worthy counterparties. The maximum exposure to credit risk for these OTC derivatives is the contract/notional amount, as shown in the "Derivative Financial Instruments" note to the financial statements.

Derivatives may be traded on an exchange (exchange traded) or they may be privately negotiated contracts, which are referred to as Over The Counter (OTC) derivatives. The Fund's OTC derivatives are cleared and settled either through central clearing counterparties (OTC-cleared), or bilateral contracts between two counterparties.

The Fund invests in debt securities which have an investment grade as rated by the Standard & Poor's rating agency. For unrated assets a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a credit rating of at least AA.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets and the contract/notional amount of the OTC derivatives. An analysis of debt securities by rating is set out in the table below:

	30/06/2025 \$'000	30/06/2024 \$'000
Rating		
AA-	60,998	11,408
A+	-	5,136
A	-	22,979
A-	-	128,374
B	151,995	-
Others	-	122,224
Non-rated	413,611	84,449
Total	626,604	374,570

The Fund has entered into a credit support agreement with various counterparties which allow the Fund to pledge cash and securities as collateral to cover unrealised hedge exposures on certain derivatives. Under this agreement, the Fund can provide securities in the form of cash, listed equities or debt securities to a counterparty as collateral on terms which permit the counterparty to repledge or resell these securities to others. The counterparties have an obligation to return the securities or equivalent credit support (i.e. securities of the same type, nominal value, description and amount) to the Fund. The risks and benefits of ownership of the securities remain with the Fund and therefore the securities have not been derecognised (i.e. treated as having been sold). These asset are included as Financial Assets held at fair value through profit and loss in the Balance Sheet.

The amount of financial assets or cash held as collateral are listed below:

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The Fund may engage in repurchase and reverse repurchase transactions. Under the terms of a repurchase agreement, the Fund takes possession of an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and the Fund to resell the obligation at an agreed-upon price and time. The underlying securities for all repurchase agreements are held in safekeeping at the Fund's custodian. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Securities purchased under repurchase agreements are reflected as an asset in the statement of financial position. If the counterparty should default, the Fund will seek to sell the securities which it holds as collateral to reduce its losses. This could involve procedural costs or delays in addition to a loss on the securities if their value should fall below their repurchase price.

The counterparties to the outstanding repurchase/reverse repurchase agreements as at 30 June 2025 were Mizuho Securities with a rating of A, and HSBC Securities with a rating of A+. As at 30 June 2025 the securities pledged as collateral under the repurchase agreement have a fair value of \$34.3m (2024: \$nil).

(d) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

The Fund's listed securities are considered readily realisable, as they are listed on either the Australian Securities Exchange or other recognised International Stock Exchanges.

The Fund may, from time to time, invests in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. Investments with a higher liquidity risk have been disclosed under "Level 3" in the "Fair Value Hierarchy" of "Financial Assets Held at Fair Value Through Profit or Loss" note to the financial statements.

The Fund's financial liabilities, excluding derivative financial liabilities, comprise trade and other payables and are contractually due within 30 days.

The table below analyses the Fund's derivative financial instruments into relevant maturity groupings based on the remaining period to the contractual maturity date at the year end date. The amounts disclosed in the table are the contractual undiscounted gross cash flows expected to be paid or received, determined by reference to the conditions existing at the reporting period end date. The contractual amounts can be settled on a gross or net basis.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
30/06/2025							
Derivatives:							
Inflows	4,041	201,904	346,074	236,180	161,179	228,457	1,177,835
(Outflows)	(14,215)	(279,484)	(373,945)	(310,553)	(210,462)	(293,379)	(1,482,038)
30/06/2024							
Derivatives:							
Inflows	-	487	101	3,813	8,741	35,665	48,807
(Outflows)	(2,599)	(2,010)	(2,713)	(18,787)	(7,859)	(31,218)	(65,187)

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

- hedging to protect an asset or liability against a fluctuation in market values, to reduce volatility or as a substitution for trading of physical securities and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

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

Derivative instruments used by the Fund may include the following:

- Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised market.

- Options

An option is a contractual agreement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or buy a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price. The Fund is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value.

- Forward Currency Contracts

Forward currency contracts are primarily used by a 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 currency 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.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

- Interest Rate Swaps

Interest rate swap contracts are agreements under which the parties exchange one stream of interest for another. They are used to hedge cash flows against unfavourable movements in interest rates. The contracts are for interest rates on notional principal amounts and can cover, for example, fixed interest rate to floating rate or fixed rate and floating rate to fixed rate. The party with the higher interest obligation pays the net amount to the other party. The amount received is considered an offset to the interest on investment or debt hedged. At reporting dates, the differences expected to be paid or received on the maturity of the contracts are marked-to-market with the unrealised gains and losses being recognised in investment revenue.

- Cross Currency Swaps

A cross currency swap is a foreign exchange agreement between two parties to exchange principal and interest payments on a loan in one currency for principal and interest payments on an equal (regarding net present value) loan in another currency. Unlike interest rate swaps, cross currency swaps involve the exchange of the principal amount. Interest payments are not netted (as they are in interest rate swaps) because they are denominated in different currencies. Cross currency swaps are valued at fair value which is based on the estimated amount the Fund would pay or receive to terminate the currency derivatives at the balance sheet date, taking into account current interest rates, foreign exchange rates, volatility and the current creditworthiness of the counterparties.

- Credit Default Swaps

A credit default swap is a swap contract in which the buyer makes a series of payments to the seller and, in exchange, receives a payoff if a particular credit event occurs. The credit event can be a credit instrument, typically a bond or loan, that goes into default or a company undergoing restructuring, bankruptcy or having its credit rating downgraded. Credit derivatives are valued at fair value which is based on the estimated amount the Fund would pay or receive to terminate these derivatives at the balance sheet date, taking into account current interest rates, volatility and credit risk.

- Warrants

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period. Warrants are valued at the prevailing market price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

Derivative financial instruments of the Fund at reporting period end are detailed below:

	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2025			30/06/2024	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Futures	274,017	1,036	(898)	487	487	-
- Options	(1,558,053)	-	(7,074)	-	-	-
- Forward Currency Contracts	123,645	1,278	(787)	-	-	-
- Interest rate swaps	5,391,135	6,244	(28,588)	583,620	-	(16,226)
- Credit default swaps	3,623,171	168,861	(212,352)	(41,200)	5,490	-
	7,853,915	177,419	(249,699)	542,907	5,977	(16,226)

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

12. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund will present the fair value of its derivative assets and liabilities on a gross basis. Certain derivative financial instruments are subject to enforceable master netting arrangements, such as an International Swaps and Derivatives Association (ISDA) master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the ISDA agreement are terminated, the termination value is assessed and only a single net amount may be payable in settlement of all transactions.

The Fund does not invest in derivatives and is therefore not subject to master netting arrangements.

The Fund is not subject to master netting arrangements.

The gross and net positions of financial assets and liabilities that have been offset in the balance sheet are disclosed below:

Legends for the table below:

a - Gross amounts of financial assets/(liabilities)

b - Gross amounts set off in the statement of financial position

c - Net amounts of financial assets/(Liabilities) presented in the statement of financial position

d - Amounts subject to Master netting arrangements which are not currently enforceable

e - Financial Instrument collateral

f - Cash Collateral

g - Net Amount

Fortlake Real-Income Fund						
1						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
30/06/2025						
Derivatives:						
- Assets	177,419	-	177,419	(175,892)	-	15,241
- Liabilities	(249,699)	-	(249,699)	175,892	-	(20,635)
30/06/2024						
Derivatives:						
- Assets	1,012	-	1,012	-	-	-
- Liabilities	(17,394)	-	(17,394)	-	-	-

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where 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 balance sheet, but have been presented separately in the above table.

FORTLAKE REAL-INCOME FUND (MANAGED FUND)

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

13. STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Fund's power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, the Fund applies the Investment Entity Exemption available under AASB10 and therefore does not consolidate its controlled entities (Note 2(q)). In other cases it may have exposure to such an entity but not control it.

The Fund has exposures to unconsolidated structured entities through trading activities. The Fund typically has no other involvement with the structured entity other than the securities it holds as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset.

Exposure to trading assets are managed in accordance with financial risk management practices as set out in "Financial Risk Management" note, which includes an indication of changes in risk measures compared to prior year.

14. CONTINGENT LIABILITIES AND COMMITMENTS

The Fund did not have any contingent liabilities or commitments at the end of the current and previous reporting periods.

15. EVENTS AFTER BALANCE SHEET

No significant events have occurred since balance sheet date which would impact on the financial positions of the Fund disclosed in the Balance Sheet as at 30 June 2025 or on the results and cash flows of the Fund for the reporting period ended on that date.

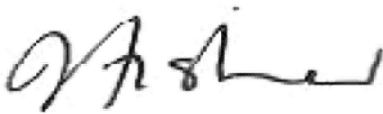
FORTLAKE REAL-INCOME FUND (MANAGED FUND)

**DIRECTORS' DECLARATION
FOR THE REPORTING PERIOD ENDED 30 JUNE 2025**

In the opinion of the Directors of Colonial First State Investments Limited:

- a) the financial statements and notes to the financial statements of the above mentioned Fund 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 reporting period 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, and
- c) the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board as stated in Note 2(a)(i).

This declaration is made in accordance with a resolution of the directors.



JoAnna Fisher
Director
Sydney
17 September 2025

Independent Auditor's Report

To the unitholders of Fortlake Real-Income Fund (Managed Fund)

Opinion

We have audited the **Financial Report** of the Fortlake Real-Income Fund (Managed Fund) (the Fund).

In our opinion, the accompanying **Financial Report** of the Fund gives a true and fair view, including the Fund's financial position as at 30 June 2025 and 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:

- Balance Sheet as at 30 June 2025;
- 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 policies; and
- 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 Reports* section of our report.

We are independent of the Fund 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 Reports 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 Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Colonial First State Investments Limited (the Responsible Entity) are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' 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. 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 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 controls 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; and
- 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 respective 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.



KPMG



Joshua Pearce
Partner
Sydney
17 September 2025

FORTLAKE SIGMA OPPORTUNITIES FUND

ANNUAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Responsible Entity of the Fund

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN: 98 002 348 352

Level 15, 400 George Street
SYDNEY NSW 2000

FORTLAKE SIGMA OPPORTUNITIES FUND

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FORTLAKE SIGMA OPPORTUNITIES FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Fund, present their report together with the Financial Report of the Fund for the reporting period as stated below and the auditor's report thereon.

Reporting Period

The current reporting period for the financial report is from 1 July 2024 to 30 June 2025. The comparative reporting period is from 1 July 2023 to 30 June 2024.

Date of Constitution and Date of Registration of the Fund

The date of Constitution is as follows:

Date of Constitution	18/09/2020
----------------------	------------

Principal Activities

The principal activities of the Fund is to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statement and its Constitution.

Please refer to the current Product Disclosure Statement for more information.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' Report have been rounded to either the nearest dollar or the nearest thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, as indicated.

Comparatives

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in current reporting period.

Review of Operations

Income

The result of the operation for the Fund for the current and previous reporting periods are tabled below:

	Period ended 30/06/2025 \$'000	Period ended 30/06/2024 \$'000
Operating profit/(loss) attributable to unitholders	(11,756)	16,725

FORTLAKE SIGMA OPPORTUNITIES FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Review of Operations (continued)

Distribution to unitholders

The total amount distributed to unitholders for the current and previous reporting periods are as follows:

	Period ended 30/06/2025 \$'000	Period ended 30/06/2024 \$'000
Amount distributed during the reporting periods	17,494	24,186

Details of the income distributions for the reporting periods ended 30 June 2025 and 30 June 2024 are disclosed in the "Distributions to Unitholders" note to the financial statements.

Exit Prices

The exit price is the price at which unitholders realise an entitlement in a fund and is calculated by deducting a predetermined cost of selling (commonly known as the "sell spread"), if applicable, from the net asset value per unit ("NAV unit price") of a fund. NAV unit price is calculated by taking the total fair value of all of the Fund's assets on a particular day, adjusting for any liabilities and then dividing the net fund value by the total number of units held by unitholders on that day.

The following unit price represents the ex-distribution exit unit price as at 30 June 2025, together with comparative unit price as at 30 June 2024:

	30/06/2025 \$	30/06/2024 \$
Ex-distribution exit unit price	0.8246	0.9627

Responsible Entity and Directors

The Responsible Entity of the Fund is Colonial First State Investments Limited (the Responsible Entity).

The Directors of the Responsible Entity in office during the period and up to the date of the report are:

Name of Director	Date of Appointment or resignation
Murray Coble	Appointed on 30 May 2022.
JoAnna Fisher	Appointed on 30 May 2022.
Martin Codina	Resigned on 31 July 2025.
Bryce Sterling Quirk	Appointed on 31 July 2025.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 15, 400 George Street, Sydney, New South Wales, 2000.

Scheme Information

The Fund is an unregistered managed investment scheme domiciled in Australia and has its principal place of business at Level 15, 400 George Street, Sydney, New South Wales, 2000.

FORTLAKE SIGMA OPPORTUNITIES FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Unit Pricing Adjustments Policy

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and where relevant, transaction costs. When the factors used to calculate the unit price are incorrect an adjustment to the unit price may be required. The Responsible Entity uses a tolerance level of 0.30% (0.05% for a cash investment option) in the unit price to assess corrections.

If a unit pricing error is greater than these tolerance levels the Responsible Entity will:

- compensate unitholders' accounts balance if they have transacted on the incorrect unit price or make other adjustments as the Responsible Entity may consider appropriate, or
- where unitholders' accounts are closed the Responsible Entity will send them a payment if the amount of the adjustment is more than \$20.

These tolerance levels are consistent with regulatory practice guidelines and industry standards. In some cases, the Responsible Entity may compensate where the unit pricing error is less than the tolerance levels.

Significant Changes in the State of Affairs

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

There were no other significant changes in the nature of the Fund's activities during the reporting period.

Matters Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the current reporting period that have significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial periods, or
- (ii) the results of those operations in future financial periods, or
- (iii) the state of affairs of the Fund in future financial periods.

Indemnification and Insurance Premiums for Officers and Auditor

No insurance premiums are paid for out of the assets of the Fund in relation to insurance cover provided to the Responsible Entity or the auditor of the Fund. So long as the officers of the Responsible Entity act in accordance with the 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 auditor of the Fund is in no way indemnified out of the assets of the Fund.

Likely Developments and Expected Results of Operations

The Fund is expected to continue to operate within the terms of its Constitution, and will continue to invest in accordance with its investment objectives and guidelines.

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.

At the time of preparing this report the Responsible Entity is not aware of any likely developments which would impact upon the future operations of the Fund.

FORTLAKE SIGMA OPPORTUNITIES FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

Fees Paid to and Received by the Responsible Entity or its Associates

Fees paid or payable to the Responsible Entity and its associates out of the Fund's assets during the reporting period are disclosed in the Statement of Comprehensive Income.

No fees were paid to the Directors of the Responsible Entity during the reporting period out of the Fund's assets.

Interests in the Fund

The units issued and redeemed in the Fund during the period and the number of units on issue at the end of the financial period are set out in "Changes in Net Assets Attributable to Unitholders" note to the financial statements. The value of the Fund's assets at the end of the financial period is set out in the Balance Sheet.

Any interests in the Fund held by the Responsible Entity or its associates at the end of the reporting period are disclosed in the "Related Parties Disclosure" note to the financial statements.

There are no interests in the Fund held by the Responsible Entity or its associates at the end of the reporting period.

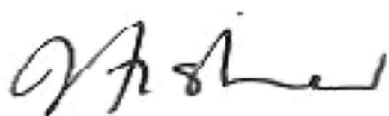
Environmental Regulation

The Fund's operations are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required is set out in the following page.

Signed in accordance with a resolution of the Directors of Colonial First State Investments Limited.



JoAnna Fisher
Director
Sydney
17 September 2025



Lead Auditor's Independence Declaration

To the Directors of Colonial First State Investments Limited as the
Responsible Entity for Fortlake Sigma Opportunities Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of the above Funds for the financial year ended 30 June 2025 there have been:

- i. no contraventions of the auditor independence requirements in relation to the audit;
and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Joshua Pearce', written over a light blue horizontal line.

Joshua Pearce
Partner
Sydney
17 September 2025

FORTLAKE SIGMA OPPORTUNITIES FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

	Note	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
Investment Income		\$'000	\$'000
Interest income	4	11,252	12,972
Net gains/(losses) on financial instruments at fair value through profit or loss		(14,348)	17,656
Other income		65	-
Responsible Entity fees rebate	9(c)	34	-
Net foreign exchange gain/(loss)		26	(31)
Total investment income/(loss)		(2,971)	30,597
Expenses			
Responsible Entity's management fees	9(c)	2,192	1,251
Responsible Entity's performance fees	9(c)	-	2,634
Expenses recharged	9(d)	795	440
Interest expenses		3,431	6,655
Other expenses		2,367	2,892
Total operating expenses		8,785	13,872
Profit/(Loss) for the period		(11,756)	16,725
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(11,756)	16,725

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

FORTLAKE SIGMA OPPORTUNITIES FUND

BALANCE SHEET AS AT 30 JUNE 2025

	Note	30/06/2025 \$'000	30/06/2024 \$'000
Assets			
Cash and cash equivalents		295,559	171,993
Trade and other receivables:			
- due from brokers - receivable for securities sold		446	-
- application monies		10	-
- interest		105	-
- others		68	732
Financial assets at fair value through profit or loss	6	178,016	102,658
Total assets		474,204	275,383
Liabilities			
Bank overdraft & margin account		76,834	30,104
Trade and other payables:			
- due to brokers - payable for securities purchased		1	-
- redemptions		455	-
- interest on loans		91	864
- others		-	54
Distribution payable	9(c)	-	9,133
Responsible Entity - fee payable	9(c)	171	3,071
Financial liabilities at fair value through profit or loss	6	218,428	65,424
Total liabilities		295,980	108,650
Net assets attributable to unitholders - equity		178,224	166,733

The above Balance Sheet should be read in conjunction with the accompanying notes.

FORTLAKE SIGMA OPPORTUNITIES FUND

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2025

	Note	30/06/2025 \$'000	30/06/2024 \$'000
Opening equity at the beginning of the period	7	166,733	109,947
Profit/(Loss) for the period		(11,756)	16,725
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(11,756)	16,725
Transactions with owners in their capacity as owners			
Distribution to unitholders	5,7	(17,494)	(24,186)
Application of units	7	89,720	96,639
Redemption of units	7	(62,346)	(43,695)
Reinvestment during the period	7	13,367	11,303
Closing equity at the end of the period	7	178,224	166,733

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

FORTLAKE SIGMA OPPORTUNITIES FUND

CASH FLOW STATEMENT FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

	Note	1/07/2024 - 30/06/2025 \$'000	1/07/2023 - 30/06/2024 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at FVTPL*		472,615	28,994
Payments for purchase of financial instruments at FVTPL*		(414,265)	(63,302)
Interest received		16,111	12,973
Responsible Entity fee received/ (paid)		(4,556)	(2,928)
Interest paid		(4,272)	-
Other receipts/(payments)		(3,082)	(3,165)
Net cash (used in)/from operating activities	8(a)	62,551	(27,428)
Cash flows from financing activities			
Receipts from issue of units		89,710	94,115
Payment for redemption of units		(61,891)	(43,685)
Distributions paid		(13,260)	(11,697)
Net cash (used in)/from financing activities		14,559	38,733
Net movement in cash and cash equivalents		77,110	11,305
Effects of exchange rate changes		(274)	(31)
Add opening cash and cash equivalents brought forward		141,889	130,615
Closing cash and cash equivalents carried forward		218,725	141,889

There have been no inflows/outflows related to investing activities during the period.

Non-cash operating and financing activities are disclosed in part (b) under "Cash and Cash Equivalents" note to the financial statements. Non-cash financing and investing activities relating to the reinvestment of distributions are disclosed in the "Net Assets Attributable to Unitholders" note.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

* FVTPL - Fair Value through Profit and Loss

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

1. GENERAL INFORMATION

The Fund covered in this Financial Report is Fortlake Sigma Opportunities Fund.

The date of Constitution is as follows:

Date of Constitution	18/09/2020
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The Responsible Entity of the Fund is Colonial First State Investments Limited (the Responsible Entity).

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 15, 400 George Street, Sydney, New South Wales, 2000.

The principal activities of the Fund is to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statement and its Constitution.

Please refer to the current Product Disclosure Statement for more information.

The Financial Report was authorised for issue by the Directors of the Responsible Entity on 17 September 2025. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

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 the periods presented, unless otherwise stated.

(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 and the Corporations Act 2001 in Australia. The Fund is a for-profit unit trust for the purpose of preparing these financial statements.

The Balance Sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets 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 12 months, however, an estimate of that amount cannot be determined as at balance date.

The current reporting period for the financial report is from 1 July 2024 to 30 June 2025. The comparative reporting period is from 1 July 2023 to 30 June 2024.

Both the functional and presentation currency of the Fund are Australian dollars.

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in the current reporting period. There is no impact on the previously reported net assets, net profit, changes in equity or net cash flows of the fund.

The Fund is an unregistered scheme of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded to either the nearest dollar or the nearest thousand dollars, as indicated.

(i) Compliance with International Financial Reporting Standards

The Financial Report also comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

(ii) New and Amended Standards adopted by the Fund

The Fund has adopted the following Australian Accounting Standards for the reporting period beginning 1 July 2024:

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

AASB 2021-2 became effective for annual reporting periods beginning on or after 1 January 2023. The amendments require the disclosure of material accounting policies rather than significant accounting policies and clarify the distinction between accounting policies and accounting estimates. The amendments do not result in any changes to the accounting policies.

There are no other new accounting standards, amendments and interpretations that are effective for the first time for the reporting period beginning 1 July 2024 and have a material impact on the financial statements of the Fund.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(b) Investments in Financial Assets and Liabilities at Fair Value through Profit or Loss

(i) Classification

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

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model objective. Consequently, the debt securities are measured at fair value through profit or loss.

Liabilities

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

(ii) Recognition/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 have been transferred and the Fund has transferred substantially all of the risks and rewards of ownership.

(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.

For further details on how the fair values of financial instruments are determined please see "Financial Assets and Liabilities at Fair Value through Profit or Loss" note to the financial statements.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet 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. Refer to the "Offsetting Financial Assets and Financial Liabilities" note to the financial statements for further information.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) 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. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

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

Other changes in fair value for such instruments are recorded in accordance with the policies described in the "Financial assets and liabilities at fair value through profit or loss" note to the financial statements.

(d) 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.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross 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.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank, deposits at call with financial institutions, short-term and highly liquid financial assets with an original maturity 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.

For the purposes of the Cash Flow Statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts which are shown as a liability in the Balance Sheet.

Derivative cash accounts comprise of margin accounts and cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(f) Receivables

Receivables may include amounts for dividends, interest, trust distributions and application receivables. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(c) above. Amounts are generally received within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

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

The carrying amount of receivables is a reasonable approximation of fair value due to their short term nature.

(g) Payables

Payables include liabilities, accrued expenses and redemption payables owing by the Fund which are unpaid as at the end of the reporting period. As the Fund has a contractual obligation to distribute its distributable income, a separate distribution payable is recognised in the balance sheet as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

The carrying amount of payables is a reasonable approximation of fair value due to their short term nature.

(h) Taxation

Under current legislation, the Fund is not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

(i) Distributions to Unitholders

Distributions are payable as set out in the Fund's Product Disclosure Statement/Information Memorandum. Such distributions are determined by the Responsible Entity of the Fund. Distributable income includes capital gains arising from the disposal of financial assets and liabilities held at fair value through profit or loss. Unrealised gains and losses on financial assets and liabilities held at fair value through profit or loss that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(j) 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 balance sheet 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 unfavorable 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's units have been classified as equity as they satisfied all the above criteria.

The carrying amount of net assets attributable to unitholders is a reasonable approximation of fair value.

(k) Terms and Conditions on Units

Each unit issued confers upon the unitholder an equal interest in the Fund and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their units redeemed;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

(l) Applications and Redemptions

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

(m) Goods and Services Tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST.

Reduced input tax credits (RITC) recoverable by the Fund from the Australian Taxation Office are recognised as receivables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(n) Expense Recognition

All expenses, including responsible entity fees and custodian fees, are recognised in profit or loss on an accrual basis.

(o) Use of Estimates

The Responsible Entity makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

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

(p) Unit Prices

Unit prices are determined in accordance with the Fund's Constitution and are calculated as the net assets attributable to unitholders, divided by the number of units on issue. Financial assets and liabilities held at fair value through profit or loss for unit pricing purposes are valued on a "last sale" price basis.

(q) Investment Entity

The Responsible Entity has determined that the Fund is an investment entity under the definition in AASB 10 Consolidated Financial Statements as it meets the following criteria:

- (a) the Fund has obtained funds from unitholders for the purpose of providing them with investment management services;
- (b) the Fund's business purpose, which it communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and
- (c) the performance of investments made by the Fund is measured and evaluated on a fair value basis.

The Fund also meets all of the typical characteristics of an investment entity.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(r) Transactions in Foreign Currencies

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.

The Fund mainly transacts in Australian currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the Balance Sheet date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in a previous financial report, are recognised in the profit or loss in the period in which they arise.

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

(s) New Application of Accounting Standards

New standards, amendments and interpretations effective after 1 July 2024 and have not been early adopted.

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2025 reporting period and have not been early adopted in preparing these financial statements. Most of these are not expected to have a material impact on the financial statements of the Fund. However, management is still in the process of assessing the impact of the new standard AASB 18 Presentation and Disclosure in Financial Statements which was issued in June 2024 and replaces AASB 101 Presentation of Financial Statements.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(t) Purchase and reverse repurchase agreements

Repurchase agreements

Under repurchase agreements, the Funds take possession of underlying debt obligations (collaterals) subject to an obligation of the seller to repurchase, and the Funds to resell, the obligation at an agreed-upon price and time.

The underlying securities are held in safekeeping by the Funds' custodian under a tri-party repurchase agreement. The market value of the collaterals are equal to or greater than the total amount of the repurchase obligations, including interests.

Securities purchased under repurchase agreements are reflected as financial assets at fair value. Interests earned are recorded as a component of interest income.

In the event of counterparty default, the Funds have the right to use the collateral to offset losses incurred. If the counterparty should default, the Funds will seek to sell the securities which they hold as collaterals.

Reverse repurchase agreements

Under reverse repurchase agreements, the Funds sell securities that they hold with agreements to repurchase the same securities at an agreed-upon price and date. Securities sold under reverse repurchase agreements are reflected as a financial liability at fair value. Interest payments are recorded as a component of interest expense. The Funds may receive a fee for use of the securities by the counterparty, which may result in interest income to the Funds.

A reverse repurchase agreements involve the risk that the market value of the securities sold by Funds may decline below the repurchase price of the securities. The Funds segregate assets determined to be liquid or otherwise covers their obligations under reverse repurchase agreements.

3. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable, by the Responsible Entity, for services provided by KPMG as the auditor of the Fund and by KPMG related network firms.

Auditors remuneration was paid to KPMG in FY25 (FY24: Ernst & Young) due to change of auditor.

	1/07/2024 - 30/06/2025 \$	1/07/2023 - 30/06/2024 \$
Audit and review of the financial reports	5,000	43,525
Other regulatory services	308	-
Other non-assurance services	-	10,000
Total services provided by KPMG/Ernst & Young	5,308	53,525

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

4. INTEREST INCOME

The interest income of the Fund is summarised as follows:

	1/07/2024 - 30/06/2025 \$'000	1/07/2023 - 30/06/2024 \$'000
Cash and cash equivalents	9,344	12,972
Debt securities	1,908	-
Total Interest Income	11,252	12,972

5. DISTRIBUTIONS TO UNITHOLDERS

The Responsible Entity adopts the policy of distributing as a minimum the net income for tax purposes. The amounts shown as "Distribution payable" in the Balance Sheet represent the components of the distributions for the reporting period which had not been paid at balance date.

The amounts distributed or proposed to be distributed to unitholders in cents per unit (cpu) during the period were:

Distribution Periods ended:	1/07/2024 - 30/06/2025 cpu	\$'000	1/07/2023 - 30/06/2024 cpu	\$'000
- 30 September	-	72	11.84	11,330
- 31 December	-	-	-	-
- 31 March	8.08	17,422	2.56	3,724
- 30 June	-	-	5.27	9,132
Distributions to unitholders		17,494		24,186

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Fair Value Measurements

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss
- Derivative financial instruments

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

Other than the financial assets and liabilities classified as fair value through profit or loss, all other financial assets and liabilities of the fund are recognised initially at fair value and are subsequently measured at amortised cost.

The Funds value their investments in accordance with policies set out in the previously issued financial statements. For the majority of these investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

(b) Fair Value Hierarchy

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

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

(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 period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price, the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid and asking price to the net open position, as appropriate.

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

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(b) Fair Value Hierarchy (continued)

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

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

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

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

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

Investments in other managed investment schemes are recorded at the redemption value per unit as reported by the investment managers of such funds.

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, to allow for additional factors including liquidity risk and counterparty risk.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(c) Recognised Fair Value Measurements

The following table presents the Fund's assets and liabilities measured and recognised at fair value as at the end of the reporting periods.

Fortlake Sigma Opportunities Fund 1				
30/06/2025	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets at fair value through profit or loss:				
Debt Securities	36,873	-	36,873	-
Derivatives	141,143	3,016	138,127	-
Total Assets at fair value through profit or loss	178,016	3,016	175,000	-
Financial Liabilities at fair value through profit or loss				
Derivatives	(218,428)	(2,256)	(216,172)	-
Total Liabilities at fair value through profit or loss	(218,428)	(2,256)	(216,172)	-
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
30/06/2024				
Financial Assets at fair value through profit or loss:				
Debt Securities	88,103	-	88,103	-
Derivatives	14,555	-	14,555	-
Total Assets at fair value through profit or loss	102,658	-	102,658	-
Financial Liabilities at fair value through profit or loss				
Derivatives	(35,624)	-	(35,624)	-
Repurchase agreement	(29,800)	-	(29,800)	-
Total Liabilities at fair value through profit or loss	(65,424)	-	(65,424)	-

(d) Transfers between Levels

There are no material transfers between levels for the Fund during the current and previous reporting periods.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

7. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

(a) Movements in Number of Units and Net Assets Attributable to Unitholders

	1/07/2024 - 30/06/2025		1/07/2023 - 30/06/2024	
	No.'000	\$'000	No.'000	\$'000
Opening balance	173,240	166,733	107,862	109,947
Applications	99,021	89,720	97,581	96,639
Redemptions	(71,496)	(62,346)	(43,640)	(43,695)
Units issued upon reinvestment of distributions	15,157	13,367	11,437	11,303
Distribution to unitholders		(17,494)		(24,186)
Profit/(Loss)		(11,756)		16,725
Closing Balance	215,922	178,224	173,240	166,733

(b) Capital Risk Management

The Fund considers its net assets attributable to unitholders as capital. 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. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

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

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

8. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Profit/(Loss) Attributable to Unitholders to Net Cash from Operating Activities

	1/07/2024 - 30/06/2025 \$'000	1/07/2023 - 30/06/2024 \$'000
Profit/(Loss) attributable to unitholders	(11,756)	16,725
Proceeds from sale of financial assets and liabilities at fair value through profit or loss	472,615	28,994
Payments for purchase of financial assets and liabilities at fair value through profit or loss	(414,265)	(63,302)
Changes in fair value of financial assets and liabilities at fair value through profit or loss	14,348	(11,001)
Distribution or Dividend income reinvested	-	
Net foreign exchange gain/(loss)	(26)	31
Change in receivables and other assets	5,152	(649)
Change in payables and other liabilities	(3,517)	1,774
Net Cash From/(Used In) Operating Activities	62,551	(27,428)

(b) Non-cash Operating and Financing Activities Carried Out During the Reporting Periods on Normal Commercial Terms and Conditions include:

- Reinvestment of unitholders distributions as disclosed under "Units issued upon reinvestment of distributions" in part (a) of the "Changes in Net Assets Attributable to Unitholders" note to the financial statements.
- Participation in dividend reinvestment plans as disclosed under "Distribution or Dividend Income Reinvested" in part (a) of the "Cash and Cash Equivalents" note to the financial statements.

(c) Terms and Conditions on Cash

Cash at bank and in hand, cash held as collateral and deposits at call with financial institutions, earn interest at floating rate as determined by the financial institutions.

(d) Derivative Cash Accounts

Included in the cash and cash equivalents are derivative cash accounts which comprise of margin accounts and cash held as collateral for derivative transactions.

	30/06/2025 \$'000	30/06/2024 \$'000
Fortlake Sigma Opportunities Fund	200,842	18,578

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

9. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

The Responsible Entity of the Fund is Colonial First State Investments Limited.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 15
400 George Street, Sydney, New South Wales, 2000.

(b) Details of Key Management Personnel

(i) Key Management Personnel

The Directors of Colonial First State Investments Limited are considered to be Key Management Personnel. The Directors of the Responsible Entity in office during the period and up to the date of the report are:

Name of Director	Date of Appointment or Resignation
Murray Coble	Appointed on 30 May 2022.
JoAnna Fisher	Appointed on 30 May 2022.
Martin Codina	Resigned on 31 July 2025.
Bryce Sterling Quirk	Appointed on 31 July 2025.

(ii) Compensation of Key Management Personnel

No amounts are paid by the Fund directly to the Directors of the Responsible Entity of the Fund.

(c) Responsible Entity's Management Fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive monthly management fees which are expressed as a percentage of the total assets of the Fund (i.e. excluding liabilities). Management fees are paid directly by the Fund. The table below shows the current fee rates charged.

Where monies are invested into other funds managed by the Responsible Entity the management fees are calculated after rebating fees charged in the underlying funds. As a consequence, the amounts shown in the Statement of Comprehensive Income reflect only the amount of fees charged directly to the Fund.

The management fees rate charged for the current and comparative reporting periods are as follows:

	1/07/2024 - 30/06/2025 %	1/07/2023 - 30/06/2024 %
Management fees rate for the reporting periods	1.16	0.99

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

9. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees (continued)

The Responsible Entity's management fees charged for the reporting periods are as follows:

	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
	\$	\$
Management fees charged/(refunded) for the reporting periods	2,192,055	1,251,450

The Responsible Entity's performance fees charged for the reporting periods are as follows:

	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
	\$	\$
Performance fees charged/(refunded) for the reporting periods	(33,693)	2,633,936

Fees due to/(refund from) the Responsible Entity as at the end of the reporting period.

	1/07/2024 - 30/06/2025	1/07/2023 - 30/06/2024
	\$	\$
Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods	170,950	3,071

(d) Management Expenses Recharged

The Responsible Entity is responsible for paying the custody fees on behalf of the Fund. The amount paid is based on the overall arrangement in place with the custodian. The Responsible Entity recharges the custody fees to the Fund. The amount recharged is disclosed as "Custody Fees" in the "Statement of Comprehensive Income", if any.

The Responsible Entity is also responsible for paying certain expenses (such as audit fees, printing and postage) for the Fund. The amount recharged is disclosed under "Expenses Recharged" in the "Statement of Comprehensive Income", if any.

(e) Bank and Deposit Accounts

Fees and expenses on bank accounts and 11am deposit accounts for the Fund is negotiated on an arm's length basis.

(f) Units Held by Related Parties

Other funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the Fund. Such activity is undertaken in the ordinary course of business at entry and exit prices available to all investors at the time of the transaction.

There is no interest of Colonial First State Investments Limited and its associates in the Fund.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

9. RELATED PARTIES DISCLOSURES (continued)

(g) Related Party Transactions

The Fund may transact with other managed investment schemes, which are also managed by the Responsible Entity. These transactions normally consist of the sale or purchase of units in related managed investment schemes and receipt and payment of distributions on normal commercial terms and conditions.

(i) Terms and Conditions of Transactions with Related Parties

All related party transactions are made in arm's length transactions on normal commercial terms and conditions. Outstanding balances at period end are unsecured and settlement occurs in cash.

(ii) Guarantees

There have been no guarantees provided or received for any related party receivables.

(h) Investing Activities

The Fund did not invest in any related managed investment schemes.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT

Investing activities of a Fund may expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The overall risk management programme focuses on ensuring compliance with its Product Disclosure Statement/Information Memorandum and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. A Fund may use derivative financial instruments to alter certain risk exposures. Financial risk management is carried out by the respective investment management departments (Investment Managers) and regularly monitored by the Investment Review Services Department of the Responsible Entity.

Different methods are used to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ratings analysis for credit risk.

(a) Market Risk

(i) Price Risk

Financial assets are either directly or indirectly exposed to price risk. This arises from investments held for which prices in the future are uncertain. They are classified on the balance sheet at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Paragraph (ii) below sets out how this component of price risk is managed and measured.

An Investment Manager may mitigate price risk through diversification and a careful selection of securities and other financial instruments within specified limits and guidelines in accordance with the Product Disclosure Statement/Information Memorandum or Constitutions and are monitored by the Investment Review Services Department of the Responsible Entity.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements summarises the impact of an increase/decrease of the Australian and global indexes on the Fund's net assets attributable to unitholders at the end of the reporting periods. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled with all other variables held constant and that fair values of the Fund move according to the historical correlation with the indexes.

(ii) Foreign Exchange Risk

A fund may hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

The Fund may manage this risk by entering into foreign exchange forward contracts to hedge the risks. The terms and conditions of these contracts rarely exceed twelve months and are contracted in accordance with the investment guidelines.

The table below summarises the Fund's assets and liabilities, monetary and non-monetary, that are denominated in a currency other than the Australian dollar.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

	United States Dollar	European Euro	Japanese Yen		Others
30/06/2025	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	41,290	23,707	-	-	(32)
Receivables	131	-	-	-	315
Derivatives	115,345	21,130	-	-	-
Bank overdraft	(14,256)	(62,578)	-	-	-
Financial liabilities held at FVTPL*					
- Derivatives	(169,530)	(36,292)	-	-	-
	(27,020)	(54,033)	-	-	283
Net increase/decrease in exposure from:					
- foreign currency contract	1,018	-	-	-	-
	(26,002)	(54,033)	-	-	283
30/06/2024	United States Dollar	European Euro	-	-	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	29,367	11,922	-	-	-
Derivatives	14,555	-	-	-	-
Bank overdraft	-	(30,104)	-	-	-
Financial liabilities held at FVTPL*					
- Derivatives	(5,288)	(24,552)	-	-	-
	38,634	(42,734)	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	38,634	(42,734)	-	-	-

* FVTPL denotes Fair Value through profit and loss

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar strengthened/weakened by a pre-determined percentage as disclosed in the table for the reporting periods against each of the other currencies to which the Fund is exposed.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk

Interest bearing financial instruments are exposed to fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. Cash flow interest rate risk arises on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk. The risk is measured using sensitivity analysis.

The Fund may also enter into derivative financial instruments to mitigate the risk of future interest rate changes in accordance with the risk policies and guidelines of the Investment Managers. These transactions are regularly monitored by the Investment Review Services Department of the Responsible Entity. The table below summarises the Fund's exposure to interest rate risks other than in cash only. It includes the Fund's assets and liabilities at fair values.

Fortlake Sigma Opportunities Fund				
1				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2025				
Financial assets				
Cash and cash equivalents	295,559	-	-	295,559
Receivables	-	-	629	629
Financial assets held at fair value through profit or loss	-	36,873	-	36,873
Derivatives	610	6,083	134,450	141,143
Financial liabilities				
Payables	-	-	(718)	(718)
Bank overdraft	(76,834)	-	-	(76,834)
Financial liabilities held at fair value through profit or loss				
- Derivatives	(175)	(18,350)	(199,903)	(218,428)
	219,160	24,606	(65,542)	178,224
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	5,792,495	(5,792,495)	-	-
Net exposure	6,011,655	(5,767,889)	(65,542)	178,224
30/06/2024				
Financial assets				
Cash and cash equivalents	171,993	-	-	171,993
Receivables	-	-	732	732
Financial assets held at fair value through profit or loss	-	88,103	14,555	102,658
Financial liabilities				
Payables	-	-	(13,122)	(13,122)
Bank overdraft	(30,104)	-	-	(30,104)
Financial liabilities held at fair value through profit or loss				
- Derivatives	-	-	(35,624)	(35,624)
- Repurchase agreement	-	-	(29,800)	(29,800)
	141,889	88,103	(63,259)	166,733
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	(506,040)	506,040	-	-
Net exposure	(364,151)	594,143	(63,259)	166,733

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk

An analysis of financial liabilities by maturities is provided under "Liquidity Risk" of the "Financial Risk Management" note to the financial statements.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates increase or decrease by a "predetermined basis points" from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities. The "predetermined basis points" are disclosed in the table below.

(b) Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Fund's operating profit or loss and net assets attributable to unitholders to interest rate risk, foreign exchange risk and other price risk. 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 foreign exchange rates, 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 shocks resulting from changes in the performance of and/or correlation between the performance 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 variations in the risk variables.

The Fund may not be subject to all these risks and are denoted with "-" in the table below.

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
30/06/2025	-100 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-5.00% \$'000	5.00% \$'000
	(976)	(502)	1,142	(1,142)	-	(653)
30/06/2024	-100 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-5.00% \$'000	5.00% \$'000
	2,601	(1,300)	4,755	(4,755)	2,384	(2,384)

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high credit rating. The Fund's investments in managed investment schemes are subject to credit risk at the point in time it renders its investment. However, as the Responsible Entity of the Fund is the same as the underlying investment, the credit risk is deemed to be insignificant.

The Fund may transact in derivatives in the over the counter (OTC) markets. OTC derivatives are entered into directly with the counterparty as there is no Clearing House arrangement. Such transactions are only dealt through suitably credit-worthy counterparties. The maximum exposure to credit risk for these OTC derivatives is the contract/notional amount, as shown in the "Derivative Financial Instruments" note to the financial statements.

Derivatives may be traded on an exchange (exchange traded) or they may be privately negotiated contracts, which are referred to as Over The Counter (OTC) derivatives. The Fund's OTC derivatives are cleared and settled either through central clearing counterparties (OTC-cleared), or bilateral contracts between two counterparties.

The Fund invests in debt securities which have an investment grade as rated by the Standard & Poor's rating agency. For unrated assets a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a credit rating of at least AA.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets and the contract/notional amount of the OTC derivatives. An analysis of debt securities by rating is set out in the table below:

	30/06/2025 \$'000	30/06/2024 \$'000
Rating		
A	-	10,943
A-	-	40,684
Others	-	29,964
Non-rated	36,873	6,512
Total	36,873	88,103

The Fund has entered into a credit support agreement with various counterparties which allow the Fund to pledge cash and securities as collateral to cover unrealised hedge exposures on certain derivatives. Under this agreement, the Fund can provide securities in the form of cash, listed equities or debt securities to a counterparty as collateral on terms which permit the counterparty to repledge or resell these securities to others. The counterparties have an obligation to return the securities or equivalent credit support (i.e. securities of the same type, nominal value, description and amount) to the Fund. The risks and benefits of ownership of the securities remain with the Fund and therefore the securities have not been derecognised (i.e. treated as having been sold). These assets are included as Financial Assets held at fair value through profit and loss in the Balance Sheet.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The Fund may engage in repurchase and reverse repurchase transactions. Under the terms of a repurchase agreement, the Fund takes possession of an underlying debt obligation (collateral) subject to an obligation of the seller to repurchase, and the Fund to resell the obligation at an agreed-upon price and time. The underlying securities for all repurchase agreements are held in safekeeping at the Fund's custodian. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Securities purchased under repurchase agreements are reflected as an asset in the statement of financial position. If the counterparty should default, the Fund will seek to sell the securities which it holds as collateral to reduce its losses. This could involve procedural costs or delays in addition to a loss on the securities if their value should fall below their repurchase price.

There is nil repurchase/reverse repurchase agreements as at 30 June 2025. As at 30 June 2024 the securities pledged as collateral under the repurchase agreement have a fair value of \$33.1m.

(d) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

The Fund's listed securities are considered readily realisable, as they are listed on either the Australian Securities Exchange or other recognised International Stock Exchanges.

The Fund may, from time to time, invests in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. Investments with a higher liquidity risk have been disclosed under "Level 3" in the "Fair Value Hierarchy" of "Financial Assets Held at Fair Value Through Profit or Loss" note to the financial statements.

The Fund's financial liabilities, excluding derivative financial liabilities, comprise trade and other payables and are contractually due within 30 days.

The table below analyses the Fund's derivative financial instruments into relevant maturity groupings based on the remaining period to the contractual maturity date at the year end date. The amounts disclosed in the table are the contractual undiscounted gross cash flows expected to be paid or received, determined by reference to the conditions existing at the reporting period end date. The contractual amounts can be settled on a gross or net basis.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
30/06/2025							
Derivatives:							
Inflows	1,965	556,441	323,601	202,752	119,687	107,921	1,312,367
(Outflows)	(19,688)	(591,320)	(369,791)	(299,679)	(163,701)	(196,622)	(1,640,801)
30/06/2024							
Derivatives:							
Inflows	-	-	101	5,408	20,544	65,650	91,702
(Outflows)	(3,057)	(3,306)	(6,038)	(20,813)	(10,578)	(68,980)	(112,771)

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

- hedging to protect an asset or liability against a fluctuation in market values, to reduce volatility or as a substitution for trading of physical securities and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

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

Derivative instruments used by the Fund may include the following:

- **Futures**

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised market.

- **Options**

An option is a contractual agreement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or buy a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price. The Fund is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value.

- **Forward Currency Contracts**

Forward currency contracts are primarily used by a 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 currency 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.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

- Interest Rate Swaps

Interest rate swap contracts are agreements under which the parties exchange one stream of interest for another. They are used to hedge cash flows against unfavourable movements in interest rates. The contracts are for interest rates on notional principal amounts and can cover, for example, fixed interest rate to floating rate or fixed rate and floating rate to fixed rate. The party with the higher interest obligation pays the net amount to the other party. The amount received is considered an offset to the interest on investment or debt hedged. At reporting dates, the differences expected to be paid or received on the maturity of the contracts are marked-to-market with the unrealised gains and losses being recognised in investment revenue.

- Cross Currency Swaps

A cross currency swap is a foreign exchange agreement between two parties to exchange principal and interest payments on a loan in one currency for principal and interest payments on an equal (regarding net present value) loan in another currency. Unlike interest rate swaps, cross currency swaps involve the exchange of the principal amount. Interest payments are not netted (as they are in interest rate swaps) because they are denominated in different currencies. Cross currency swaps are valued at fair value which is based on the estimated amount the Fund would pay or receive to terminate the currency derivatives at the balance sheet date, taking into account current interest rates, foreign exchange rates, volatility and the current creditworthiness of the counterparties.

- Credit Default Swaps

A credit default swap is a swap contract in which the buyer makes a series of payments to the seller and, in exchange, receives a payoff if a particular credit event occurs. The credit event can be a credit instrument, typically a bond or loan, that goes into default or a company undergoing restructuring, bankruptcy or having its credit rating downgraded. Credit derivatives are valued at fair value which is based on the estimated amount the Fund would pay or receive to terminate these derivatives at the balance sheet date, taking into account current interest rates, volatility and credit risk.

- Warrants

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period. Warrants are valued at the prevailing market price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

11. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Derivative financial instruments of the Fund at reporting period end are detailed below:

	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	30/06/2025			30/06/2024		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Futures	923,919	3,016	(2,256)	-	-	-
- Options	(2,033,599)	-	(11,085)	-	-	-
- Forward Currency Contracts	389,900	4,301	(2,518)	-	-	-
- Interest rate swaps	5,792,495	4,324	(29,729)	506,040	-	(16,972)
- Credit default swaps	2,429,556	129,502	(172,840)	(26,700)	6,536	-
	7,502,271	141,143	(218,428)	479,340	6,536	(16,972)

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

12. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund will present the fair value of its derivative assets and liabilities on a gross basis. Certain derivative financial instruments are subject to enforceable master netting arrangements, such as an International Swaps and Derivatives Association (ISDA) master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the ISDA agreement are terminated, the termination value is assessed and only a single net amount may be payable in settlement of all transactions.

The Fund does not invest in derivatives and is therefore not subject to master netting arrangements.

The Fund is not subject to master netting arrangements.

The gross and net positions of financial assets and liabilities that have been offset in the balance sheet are disclosed below:

Legends for the table below:

a - Gross amounts of financial assets/(liabilities)

b - Gross amounts set off in the statement of financial position

c - Net amounts of financial assets/(Liabilities) presented in the statement of financial position

d - Amounts subject to Master netting arrangements which are not currently enforceable

e - Financial Instrument collateral

f - Cash Collateral

g - Net Amount

Fortlake Sigma Opportunities Fund						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
30/06/2025						
Derivatives:						
- Assets	141,143	-	141,143	(136,344)	-	42,245
- Liabilities	(218,428)	-	(218,428)	136,344	-	-
30/06/2024						
Derivatives:						
- Assets	14,555	-	14,555	-	-	-
- Liabilities	35,625	-	35,625	-	-	-

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where 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 balance sheet, but have been presented separately in the above table.

FORTLAKE SIGMA OPPORTUNITIES FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2025

13. STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Fund's power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, the Fund applies the Investment Entity Exemption available under AASB10 and therefore does not consolidate its controlled entities (Note 2(q)). In other cases it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Fund. Such interests include holdings of units in unlisted trusts, including managed investment schemes. The nature and extent of the Fund's interests in structured entities are titled "managed investment schemes" and form part of "Financial Assets Held at Fair Value through Profit or Loss" which are summarised in Note 2(b).

The Fund has exposures to unconsolidated structured entities through trading activities. The Fund typically has no other involvement with the structured entity other than the securities it holds as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset.

Exposure to trading assets are managed in accordance with financial risk management practices as set out in "Financial Risk Management" note, which includes an indication of changes in risk measures compared to prior year.

14. CONTINGENT LIABILITIES AND COMMITMENTS

The Fund did not have any contingent liabilities or commitments at the end of the current and previous reporting periods.

15. EVENTS AFTER BALANCE SHEET

No significant events have occurred since balance sheet date which would impact on the financial positions of the Fund disclosed in the Balance Sheet as at 30 June 2025 or on the results and cash flows of the Fund for the reporting period ended on that date.

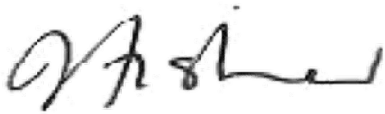
FORTLAKE SIGMA OPPORTUNITIES FUND

**DIRECTORS' DECLARATION
FOR THE REPORTING PERIOD ENDED 30 JUNE 2025**

In the opinion of the Directors of Colonial First State Investments Limited:

- a) the financial statements and notes to the financial statements of the above mentioned Fund 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 reporting period 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, and
- c) the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board as stated in Note 2(a)(i).

This declaration is made in accordance with a resolution of the directors.



JoAnna Fisher
Director
Sydney
17 September 2025



Independent Auditor's Report

To the unitholders of Fortlake Sigma Opportunities Fund

Opinion

We have audited the **Financial Report** of *Fortlake Sigma Opportunities Fund* (the Fund).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Fund as at 30 June 2025, and of its financial performance and its cash flows for the year then ended, in accordance with *Australian Accounting Standards*.

The **Financial Report** comprises:

- Balance sheet as at 30 June 2025;
- 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 policies; and
- 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 in accordance with 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.

Restriction on use and distribution

The Financial Report has been prepared to assist the Directors of the Fund:

- in complying with the financial reporting requirements of Fund's Constitution.
- for the purpose of meeting the needs of the unitholders.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



Our report is intended solely for the Directors and unitholders of the Fund and should not be used by or distributed to parties other than the Directors and unitholders of the Fund. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Directors and unitholders of the Fund or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in the Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Colonial First State Investments Limited (the Responsible Entity) are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

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 for the Financial Report

The Directors are responsible for:

- the preparation and fair presentation of the Financial Report in accordance with the financial reporting requirements of Fund's Constitution and have determined that the financial reporting framework is appropriate to meet the needs of the unitholder;
- implementing necessary internal control to enable the preparation of Financial Report that is free from material misstatement, whether due to fraud or error; and
- 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.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.



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: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Joshua Pearce
Partner
Sydney
17 September 2025

Enquiries

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