Clearwater Real Return Fund

ARSN 652 244 365

Annual report
For the year ended 30 June 2025

Clearwater Real Return Fund

ARSN 652 244 365

Annual report
For the year ended 30 June 2025

Contents

Directors' report

Auditor's independence declaration

Statement of comprehensive income

Statement of financial position

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

Directors' declaration

Independent auditor's report to the unit holders of Clearwater Real Return Fund

This annual report covers Clearwater Real Return Fund as an individual entity.

The Responsible Entity of Clearwater Real Return Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 22, 530 Collins Street
Melbourne, VIC 3000.

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of Clearwater Real Return Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2025.

Principal activities

The Fund is expected to terminate once the underlying investments are realised and the funds returned to the remaining unit holders. Consequently, the Responsible Entity have determined that the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a non-going concern basis.

The Fund is a registered multi-class Fund comprising four retail classes, Clearwater Balanced Plus Real Return Fund, Clearwater Growth Real Return Fund, PAC Global Esports Fund and the PAC Global Fund collectively known as the "Retail Classes".

The Fund did not have any employees during the year.

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

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Clearwater Portfolio Management Pty Ltd
Custodian (PAC Global Esports Fund, PAC Global Fund, Clearwater Balanced Plus Real Return Fund and Clearwater Growth Real Return Fund) and administrator	Apex Fund Services Pty Ltd
Statutory Auditor	Ernst & Young

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the year and up to the date of this report:

Michael J O'Brien	Chairman
Russell W Beasley	(resigned 9 October 2024, reappointed 1 July 2025)
Mary A O'Connor	(resigned 1 July 2025)
David B Warren	
Andrew P Godfrey	
Johanna E Platt	(appointed 9 October 2024)

Review and results of operations

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

The Fund's performance for PAC Global Esports Fund - Retail Class was -79.01% for the year ended 30 June 2025.

The Fund's performance for PAC Global Fund - Retail Class was -74.79% for the year ended 30 June 2025.

The Fund's performance for Clearwater Balanced Plus Real Return Fund - Retail Class was -24.85% for the year ended 30 June 2025.

Directors' report (continued)

Review and results of operations (continued)

The Fund's performance for Clearwater Growth Real Return Fund - Retail Class was -32.05% for the year ended 30 June 2025.

Fund's performance is calculated based on the percentage change in the Redemption Price in the Fund over the period with any distributions paid during the period reinvested. Returns are disclosed after fees and expenses but before taxes.

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

	Year ended	
	30 June 2025	30 June 2024
Profit/(loss) before finance costs attributable to unit holders for the year ($)	**(1,872,775)**	294,199
Clearwater Growth Real Return Fund - Retail Class		
Distributions paid and payable ($)	**-**	1,533,845
Distributions (cents per unit)	**-**	11.6863
Clearwater Balanced Plus Real Return Fund - Retail Class		
Distributions paid and payable ($)	**-**	829,716
Distributions (cents per unit)	**-**	10.4392
PAC Global Esports Fund - Retail Class		
Distributions paid and payable ($)	**-**	758,000
Distributions (cents per unit)	**-**	7.2370
PAC Global Fund - Retail Class		
Distributions paid and payable ($)	**-**	1,297,000
Distributions (cents per unit)	**-**	11.6375

Significant changes in the state of affairs

The Responsible Entity made the decision to terminate the Fund once the underlying investments are realised and the funds returned to the remaining unit holders. Consequently, the directors of the Responsible Entity have determined that the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a non-going concern basis.

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may have a significant effect on:

i. the operations of the Fund in future financial years; or
ii. the results of those operations in future financial years; or
iii. the state of affairs of the Fund in future financial years

Directors' report (continued)

Likely developments and expected results of operations

The Fund is expected to terminate once the underlying investments are realised and the funds returned to the remaining unit holders. Consequently, the Responsible Entity has determined that the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a non- going concern basis.

Until the Fund is terminated, it will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regard to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Fund against a liability incurred as auditor.

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

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 13 to the financial statements.

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

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 13 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 6 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest dollar

Amounts in the Directors' report have been rounded to the nearest dollar in accordance with *ASIC Corporations (Rounding in Financial/* Directors*' Reports) Instrument 2016/191*, unless otherwise indicated.

Directors' report (continued)

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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



Andrew P Godfrey
Director

Melbourne
Date: 27 August 2026

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

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

Shape the future with confidence

Auditor's independence declaration to the directors of Equity Trustees Limited as Responsible Entity for Clearwater Real Return Fund

As lead auditor for the audit of the financial report of Clearwater Real Return Fund for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Jonathan Hall
Partner
27 August 2026

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Statement of comprehensive income

	Note	Year ended 30 June 2025 $	30 June 2024 $
Income			
Net gains/(losses) on financial instruments at fair value through profit or loss		**(1,983,688)**	163,869
Distribution income		**246,351**	265,846
Interest income from financial assets at amortised cost		**49,767**	126,741
Fee income		**21,519**	16,408
Other income		**17,552**	-
Total income/(loss)		**(1,648,499)**	572,864
Expenses			
Management fees and costs	13(g)	**224,276**	278,665
Total expenses		**224,276**	278,665
Profit/(loss) before finance costs attributable to unit holders for the year		**(1,872,775)**	294,199
Finance costs attributable to unit holders			
Distributions to unit holders	7	**-**	(4,419,060)
(Increase)/decrease in net assets attributable to unit holders		**1,872,775**	4,124,861
Profit/(loss) for the year		**-**	-
Other comprehensive income		**-**	-
Total comprehensive income for the year		**-**	-

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

Statement of financial position

	Note	As at **30 June 2025** **$**	30 June 2024 $
Assets			
Cash and cash equivalents	8	**1,616,381**	500,194
Receivables	10	**53,807**	210,515
Due from brokers – receivable for securities sold		**1,023,357**	1,120,326
Prepaid expenses		**-**	281
Due from related parties		**399,756**	319,439
Financial assets at fair value through profit or loss	5	**3,555,425**	24,824,065
Total assets		**6,648,726**	26,974,820
Liabilities			
Distributions payable		**-**	2,364,060
Payables	11	**106,315**	75,262
Redemptions payable		**1,491,508**	80,058
Due to brokers - payable for securities purchased		**20,998**	-
Total liabilities (excluding net assets attributable to unit holders)		**1,618,821**	2,519,380
Net assets attributable to unit holders - liability		**5,029,905**	24,455,440

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

Statement of changes in equity

	Year ended	
	30 June 2025	30 June 2024
	$	$
Total equity at the beginning of the financial year	**-**	-
Comprehensive income for the financial year		
Profit/(loss) for the year	**-**	-
Other comprehensive income	**-**	-
Total comprehensive income/(loss)	**-**	-
Transactions with owners in their capacity as owner	**-**	-
Total equity at the end of the financial year*	**-**	-

* Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year.

The above statement of changes in equity should be read in conjunction with the accompanying notes with reference to Notes 2c and 6.

Statement of cash flows

	Note	Year ended 30 June 2025 **$**	30 June 2024 $
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**77,562,243**	120,423,430
Payments for purchase of financial instruments at fair value through profit or loss		**(61,483,947)**	(91,667,647)
Investment in advance		**-**	20,000
Interest income received		**39,672**	126,741
Other income received		**39,071**	16,408
Distribution income received		**406,954**	549,778
Management fees and costs paid		**(192,623)**	(286,677)
Performance fees paid		**-**	(371,485)
Other expenses paid		**281**	(4,303)
Net cash inflow/(outflow) from operating activities	9(a)	**16,371,651**	28,806,245
Cash flows from financing activities			
Proceeds from applications by unit holders		**5,600**	1,061,353
Payments for redemptions by unit holders		**(9,668,406)**	(11,618,054)
Distributions paid to unit holders		**(2,348,351)**	(2,469,319)
Return of capital		**(3,244,307)**	(15,795,000)
Net cash inflow/(outflow) from financing activities		**(15,255,464)**	(28,821,020)
Net increase/(decrease) in cash and cash equivalents		**1,116,187**	(14,775)
Cash and cash equivalents at the beginning of the year		**500,194**	514,969
Cash and cash equivalents at the end of the year	8	**1,616,381**	500,194
Non-cash operating and financing activities	9(b)	**3,260,017**	20,013,681

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Contents

1. General information
2. Summary of material accounting policy information
3. Financial risk management
4. Fair value measurement
5. Financial assets at fair value through profit or loss
6. Net assets attributable to unit holders - liability
7. Distributions to unit holders
8. Cash and cash equivalents
9. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities
10. Receivables
11. Payables
12. Remuneration of auditors
13. Related party transactions
14. Events occurring after the reporting period
15. Contingent assets and liabilities and commitments

1. General information

These financial statements cover Clearwater Real Return Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 23 July 2021. The Fund commenced operations on 8 February 2022 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 22, 530 Collins Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The investment activities of the Fund are managed by Clearwater Portfolio Management Pty Ltd. Sandhurst Trustees Ltd acts as a custodian of PAC Global Esports Fund and the PAC Global Fund. Apex Fund Services Pty Ltd acts as custodian and administrator of Clearwater Balanced Plus Real Return Fund and Clearwater Growth Real Return Fund.

The Fund is a registered multiclass fund comprising four retail classes, Clearwater Balanced Plus Real Return Fund, Clearwater Growth Real Return Fund, PAC Global Esports Fund and the PAC Global Fund collectively known as the "Retail Classes".

The Responsible Entity made the decision to terminate the Fund once the underlying investments are realised and the funds returned to the remaining unit holders. Consequently, the directors of the Responsible Entity have determined that the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a non-going concern basis.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. Summary of material accounting policy information

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

a. Basis of preparation

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

The Fund is expected to terminate once the underlying investments are realised and the funds returned to the remaining unit holders. Consequently, the Responsible Entity has determined that the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a non-going concern basis. The non-going concern basis means assets have been written down to the lower of their carrying amounts and net realisable value and additional liabilities have been recognised to the extent there was a present obligation at the reporting date. The accounting policies set out below have been applied within this context. This has not had a material impact on the measurement of assets or liabilities at balance sheet date.

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

2. Summary of material accounting policy information (continued)

a. Basis of preparation (continued)

i. Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

ii. New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2024 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

iii. New standards and interpretations not yet adopted

AASB 18 Presentation and Disclosure in Financial Statements

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

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

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual years beginning on or after 1 January 2027 and will apply to the Fund for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the statement of comprehensive income and statement of financial position line items are presented as well as some additional disclosures in the notes to the financial statements. The management is in the process of assessing the impact of the new standard.

Certain amendments to accounting standards have been published that are not mandatory for the 30 June 2025 reporting year and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting years and on foreseeable future transactions.

b. Financial instruments

i. Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:
- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund’s portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund’s documented investment strategy. The Fund’s policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

2. Summary of material accounting policy information (continued)

b. Financial instruments (continued)

i. Classification (continued)

- Financial assets (continued)

Unregistered investments funds are measured at fair value through profit or loss.

For cash and cash equivalents, receivables, due from related parties and investment in advance these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable, payables, redemptions payable and subscriptions received in advance).

ii. Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

- Financial instruments at amortised cost

For financial assets at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses ("ECL").

Cash and cash equivalents, receivables, due from related parties and investment in advance are carried at amortised cost.

2. Summary of material accounting policy information (continued)

b. Financial instruments (continued)

iv. Impairment

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, receivables, due from related parties and investment in advance) at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The ECL approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

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

v. Offsetting financial instruments

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

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

c. Net assets attributable to unit holders

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

The units are classified as financial liabilities as the Fund is required to distribute its distributable income in accordance with the Fund's Constitution.

The units can be put back to the Fund at any time for cash based on the redemption price which is equal to a proportionate share of the Fund's net asset value attributable to the unit holders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

d. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

2. Summary of material accounting policy information (continued)

e. Income

i. Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Changes in fair value of financial instruments at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

ii. Dividends and distributions

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Fund distributions are recognised on an entitlement basis.

f. Expenses

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

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

g. Income tax

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

h. Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

i. Increase/decrease in net assets attributable to unit holders

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

2. Summary of material accounting policy information (continued)

j. Foreign currency translation

Functional and presentation currency

Balances included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

k. Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from/to brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

l. Receivables

Receivables may include amounts for interest, dividends and Fund distributions. Dividends and Fund distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

m. Payables

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

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

n. Applications and redemptions

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

o. Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows related to GST are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as an operating cash flow.

p. Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise indicated.

2. Summary of material accounting policy information (continued)

q. Unconsolidated structures entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangement.

The Fund considers all investments in investment funds to be structured entities.

The Fund invests in investment funds for the purpose of capital appreciation and/or earning investment income. These investments are measured at fair value through profit or loss.

r. Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Fund makes estimates and judgements that affect the reported amounts of investment in PAC Private 1 Fund and CWSPV1 (the "Underlying Funds") based on either last price or historical price.

For more information on how fair value is calculated refer to Note 4 to the financial statements.

The Fund estimates that the resultant ECL derived from using impairment model, has not materially impacted the Fund. Please see Note 3 for more information on credit risk.

s. Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

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

All investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Clearwater Portfolio Management Pty Ltd. under an Investment Management Agreement (IMA) approved by the Responsible Entity and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

a. Market risk

Market risk is managed as per below and investment manager monitors at the monthly Investment Management Committee ("IMC").

3. Financial risk management (continued)

a. Market risk (continued)

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns to investors.

i. Price risk

The Fund is exposed to price risk on its investments in the Underlying Funds which in turn are exposed to price risk on equity securities listed or quoted on recognised securities exchanges or unlisted investments in unit trusts. Price risk arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollars, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Fund invests moves by +/- 10% (2024: +/-10%).

ii. Foreign exchange risk

The Fund does not hold directly any assets and liabilities denominated in currencies other than the Australian dollar, but the Fund does have indirect exposure through its investments in wholesale funds.

As of 30 June 2025, the Fund is not exposed to any foreign currencies risk (2024: Nil).

iii. Cash flow and fair value interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

The Fund's interest bearing financial instruments expose them to risks associated with the effects of fluctuation in the prevailing market interest rate on its financial positions and cash flows. The impact of interest rate risk on the profit and net assets attributable to unit holders is considered immaterial to the Fund.

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Fund to interest rate risk.

b. Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on net assets attributable to unit holders	
	Price risk	
	+10%	**-10%**
	$	**$**
As at 30 June 2025	**355,543**	**(355,543)**
As at 30 June 2024	2,482,407	(2,482,407)

.

3. Financial risk management (continued)

c. Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

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

The Fund determines credit risk and measures ECL for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any ECL.

At 30 June 2025 and 30 June 2024, all receivables, amounts due from brokers, cash and short-term deposits are held with counterparties. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Fund.

i. Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as the Fund's cash and cash equivalents are held with Australia and New Zealand Banking Group Limited with a credit rating of AA- as of 30 June 2025 (2024: AA-)

ii. Other

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

iii. Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

d. Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests, margin calls on derivative transactions or to fund foreign exchange related cash flow requirements.

Liquidity risk is managed by Investment Manager.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

The Fund did not reject or withhold any redemptions during 2025 and 2024 financial years. During the current year, the Responsible Entity closed the Fund for any redemptions as it starts to process the winding up of the Fund's operations.

The Fund is exposed to indirect liquidity risk via its investment in the Underlying Fund. The Underlying Fund invests in PAC Private 1 Fund some of which may not be readily saleable. The Fund manages liquidity risk by maintaining sufficient cash balances to meet its obligations.

3. Financial risk management (continued)

d. Liquidity risk (continued)

Maturities of non-derivative financial liabilities

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Units are redeemed on demand at the unit holders' option. However, the Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

	Less than 1 month $	1 to 6 months $	6 to 12 months $	Over 12 months $	Total $
As at 30 June 2025					
Payables	**106,315**	**-**	**-**	**-**	**106,315**
Redemptions payable	**-**	**1,491,508**	**-**	**-**	**1,491,508**
Due to brokers - payable for securities purchased	**-**	**20,998**	**-**	**-**	**20,998**
Net asset attributable to unit holders – liability	**5,029,905**	**-**	**-**	**-**	**5,029,905**
Contractual cash flows (excluding derivatives)	**5,136,220**	**1,512,506**	**-**	**-**	**6,648,726**
As at 30 June 2024					
Distributions payable	-	2,364,060	-	-	2,364,060
Payables	75,262	-	-	-	75,262
Redemptions payable	-	80,058	-	-	80,058
Net asset attributable to unit holders – liability	24,455,440	-	-	-	24,455,440
Contractual cash flows (excluding derivatives)	24,530,702	2,444,118	-	-	26,974,820

In accordance with the Product Disclosure Statements, the Retail Classes are designed to offer weekly redemptions during normal conditions. To manage liquidity risk, the majority of assets held by the Underlying Funds are liquid as they can be bought and sold in a reasonable time frame and not cause significant fluctuations to the price of the asset. Therefore, the ability of the Fund to meet unit holders' redemptions requests depends on the liquidity of the Underlying Funds.

4. Fair value measurement

The Fund measures and recognises financial assets at fair value through profit or loss on a recurring basis.

- Financial assets at fair value through profit or loss (see Note 5).

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

4. Fair value measurement (continued)

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

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

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements.

a. Quoted prices in active markets (Level 1)

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

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

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

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

b. Significant observable inputs (Level 2)

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

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

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

- The fair value of the Fund's investments in the Underlying Funds is determined using the unit prices at which the Fund can redeem its investments from or apply for more investments into the Underlying Funds as advised by the Trustee of the Underlying Funds at the reporting date.

c. Significant unobservable inputs (Level 3)

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

4. Fair value measurement (continued)

c. Significant unobservable inputs (Level 3) (continued)

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

- Unregistered investment funds are recorded at the redemption price per unit as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.
- The Fund's investment in the Underlying Funds is recorded at the net asset value per unit as reported by Investment Management, the manager of the Underlying Fund.

d. Recognised fair value measurements

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

	Level 1 **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
As at 30 June 2025				
Financial assets				
Unregistered investment funds	**-**	**-**	**3,555,425**	**3,555,425**
Total financial assets	**-**	**-**	**3,555,425**	**3,555,425**
As at 30 June 2024				
Financial assets				
Unregistered investment funds	3,280,587	15,014,500	6,528,978	24,824,065
Total financial assets	3,280,587	15,014,500	6,528,978	24,824,065

e. Transfer between levels

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

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

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

The following table presents the movement in level 3 instruments for the year ended 30 June 2025 by class of financial instrument.

	Unregistered investment funds $
Opening balance – 1 July 2023	24,411,000
Purchases	7,674,003
Sales	(24,411,000)
Gains/(losses) on financial assets at fair value through profit or loss	(1,145,025)
Closing balance – 30 June 2024	6,528,978

4. Fair value measurement (continued)

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

	Unregistered investment funds
	$
Opening balance – 1 July 2024	**6,528,978**
Purchases	**5,636,842**
Sales	**(6,374,258)**
Gains/(losses) on financial assets at fair value through profit or loss	**(2,236,137)**
Closing balance – 30 June 2025	**3,555,425**

i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See Note 4(b) above for the valuation techniques adopted.

Description	Fair value $	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
As at 30 June 2025				
Unregistered investment funds	**3,555,425**	**Net asset value**	**+10 % /- 10%**	**355,543 / (355,543)**
As at 30 June 2024				
Unregistered investment funds	6,528,978	Net asset value	+10 % /- 10%	6,528,97 / (6,528,97)

There were no significant inter-relationships between unobservable inputs that significantly affect fair values.

ii. Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period and are disclosed in Note 4(d) above.

g. Financial instruments not carried at fair value

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

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

ii. Net assets attributable to unit holders, as the Fund routinely redeems and issues units at an amount equal to the proportionate share of the Fund's net assets at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying value of net assets attributable to unit holders approximates their fair value. Any difference is not material in the current year or prior year.

5. Financial assets at fair value through profit or loss

	As at	
	30 June 2025	30 June 2024
	$	$
Unregistered investment funds	**3,555,425**	24,824,065
Total financial assets at fair value through profit or loss	**3,555,425**	24,824,065

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

6. Net assets attributable to unit holders - liability

The Fund's units are classified as a liability as they do not meet the definition of a financial instrument to be classified as equity.

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

	Year ended		Year ended	
	30 June 2025	**30 June 2025**	30 June 2024	30 June 2024
	Units	**$**	Units	$
Clearwater Balanced Plus Real Return Fund - Retail Class				
Opening balance	**7,948,055**	**7,215,741**	11,280,650	11,032,697
Applications	**-**	**-**	462,301	444,933
Redemptions	**(5,760,459)**	**(5,399,908)**	(3,794,896)	(3,746,198)
Reinvestment of distributions	**3,119**	**2,892**	-	252
Increase/(decrease) in net assets attributable to unit holders	**-**	**(324,042)**	-	(515,943)
Closing balance	**2,190,715**	**1,494,683**	7,948,055	7,215,741
Clearwater Growth Real Return Fund - Retail Class				
Opening balance	**13,126,704**	**12,039,822**	19,205,000	19,017,146
Applications			652,514	642,020
Redemptions	**(9,418,756)**	**(8,924,255)**	(6,739,345)	(6,771,114)
Reinvestment of distributions	**13,775**	**12,818**	8,535	8,429
Increase/(decrease) in net assets attributable to unit holders	**-**	**(808,722)**	-	(856,659)
Closing balance	**3,721,723**	**2,319,663**	13,126,704	12,039,822
PAC Global Esports Fund - Retail Class				
Opening balance	**10,474,387**	**2,258,125**	10,474,387	11,803,084
Return of capital	**-**	**(1,355,255)**	-	(8,392,800)
Increase/(decrease) in net assets attributable to unit holders	-	**(428,974)**	-	(1,152,159)
Closing balance	**10,474,387**	**473,896**	10,474,387	2,258,125

6. Net assets attributable to unit holders - liability (continued)

	Year ended		Year ended	
	30 June 2025 Units	**30 June 2025 $**	30 June 2024 Units	30 June 2024 $
PAC Global Fund - Retail Class				
Opening balance	**11,145,422**	**2,941,752**	11,145,422	11,944,852
Return of capital	**-**	**(1,889,052)**	-	(7,403,000)
Increase/(decrease) in net assets attributable to unit holders	**-**	**(311,037)**	-	(1,600,100)
Closing balance	**11,145,422**	**741,663**	11,145,422	2,941,752
Closing balance		**5,029,905**		24,455,440

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

Units are redeemed on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting year cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability. Once the underlying investments are realised, the Fund will be able to return the funds to the remaining unit holders.

The Fund is closed for application and redemption as the Responsible Entity decided to terminate the Fund. The Investment Manager and Responsible Entity are in the process to liquidate the remaining investments in orderly manner.

7. Distributions to unit holders

	Year ended		Year ended	
	30 June 2025 $	**30 June 2025 CPU**	30 June 2024 $	30 June 2024 CPU
Distributions - Clearwater Growth Real Return Fund - Retail Class				
June (payable)	**-**	**-**	1,533,845	11.6863
Total distributions	**-**	**-**	1,533,845	11.6863
Distributions – Clearwater Balanced Plus Real Return Fund – Retail Class				
June (payable)	**-**	**-**	829,716	10.4392
Total distributions	**-**	**-**	829,716	10.4392
PAC Global Esports Fund - Retail Class				
June	**-**	**-**	758,000	7.2370
Total distributions	**-**	**-**	758,000	7.2370

7. Distributions to unit holders (continued)

	Year ended		Year ended	
	30 June 2025 $	**30 June 2025 CPU**	30 June 2024 $	30 June 2024 CPU
PAC Global Fund - Retail Class				
June	**-**	**-**	1,297,000	11.6375
Total distributions	**-**	**-**	1,297,000	11.6375
Total distributions	**-**		4,418,561	

8. Cash and cash equivalents

	As at	
	30 June 2025 $	30 June 2024 $
Cash at bank	**1,616,381**	500,194
Total cash and cash equivalents	**1,616,381**	500,194

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

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

	Year ended	
	30 June 2025 $	30 June 2024 $
Increase/(decrease) in net assets attributable to unit holders	**(1,872,775)**	(4,124,861)
Distributions to unit holders	**-**	4,419,060
Proceeds from sale of financial instruments at fair value through profit or loss	**77,562,243**	120,423,430
Payments for purchase of financial instruments at fair value through profit or loss	**(61,483,947)**	(91,667,647)
Net gains/(losses) on financial instruments at fair value through profit or loss	**1,983,688**	(163,869)
Net change in investment in advance		20,000
Net change in receivables	**151,108**	278,720
Net change in payables	**31,334**	(378,588)
Net cash inflow/(outflow) from operating activities	**16,371,651**	28,806,245

9. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

b. Non-cash operating and financing activities

	Year ended	
	30 June 2025	30 June 2024
	$	$
Sell/purchase of underlying securities in the PAC wholesale funds	**-**	20,005,000
The following redemption payments to unit holders were satisfied by in-specie asset transferred	**3,244,307**	-
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	**15,710**	8,681
Total non-cash operating and financing activities	**3,260,017**	20,013,681

10. Receivables

	As at	
	30 June 2025	30 June 2024
	$	$
GST receivable	**-**	10,847
Distributions receivable	**33,465**	194,068
Interest receivable	**20,342**	-
Subscription receivable	**-**	5,600
Total receivables	**53,807**	210,515

11. Payables

	As at	
	30 June 2025	30 June 2024
	$	$
Management fees and costs payable	**106,315**	75,262
Total payables	**106,315**	75,262

12. Remuneration of auditors

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

	Year ended 30 June 2025 $	30 June 2024 $
Ernst & Young		
Audit and other assurance services		
Audit of financial statements	**25,528**	20,600
Total auditor remuneration and other assurance services	**25,528**	20,600
Taxation services		
Tax compliance services	**32,000**	21,218
Total remuneration for taxation services	**32,000**	21,218
Total remuneration of Ernst & Young	**57,528**	41,818
PricewaterhouseCoopers		
Audit and other assurance services		
Audit of compliance plan	**2,448**	2,400
Total auditor remuneration and other assurance services	**2,448**	2,400
Total remuneration of PricewaterhouseCoopers	**2,448**	2,400

The auditors' remuneration is borne by the Fund. Fees are stated in dollars net exclusive of GST.

13. Related party transactions

The Responsible Entity of Clearwater Real Return Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The only related parties to the Fund as, defined by AASB 124 *Related Party Disclosures,* are the Responsible Entity, schemes managed by the Responsible Entity and key management personnel of the Responsible Entity.

a. Key management personnel

i. Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial year and up to the date of this report.

Michael J O'Brien	Chairman
Russell W Beasley	(resigned 9 October 2024, reappointed 1 July 2025)
Mary A O'Connor	(resigned 1 July 2025)
David B Warren	
Andrew P Godfrey	
Johanna E Platt	(appointed 9 October 2024)

ii. Responsible Entity

Other than fees paid to the Responsible Entity, there were no other transactions.

13. Related party transactions (continued)

a. Key management personnel (continued)

iii. Other key management personnel

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

b. Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

c. Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2025 (30 June 2024: nil).

d. Key management personnel compensation

Key management personnel are paid by Equity Trustees Limited. Payments made from the Fund to Equity Trustees Limited does not include any amounts directly attributable to the compensation of key management personnel.

e. Key management personnel loans

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

f. Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving management personnel's interests existing at year end.

g. Responsible Entity fees and other transactions

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and its service providers as per Note 1:

	Year ended	
	30 June 2025	30 June 2024
	$	$
Management fees and costs for the year	**224,276**	278,665
Management fees and costs payable at year end	**106,315**	74,662

Equity Trustees Limited earned $7,715 (2024: $16,328) for Responsible Entity fees provided to the Fund from management fees and costs.

Under the terms of the Fund's Constitution and Product Disclosure Statement, management fees and costs includes responsible entity fees paid to the Responsible Entity, management fees paid to the Investment Manager and other costs (such as custody fees, administration fees and audit fees) paid to other unrelated parties. Please refer to the Fund's Product Disclosure Statement for information on how management fees and costs are calculated.

13. Related party transactions (continued)

h. Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited) hold units in the Fund as follows:

	Number of units held opening	Number of units held closing	Fair value of investment	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
			$	%			$
Unit holder							
As at 30 June 2025							
Pellucid Dynamic Fund *	**2,728,365**	**-**	**-**	**-**	**-**	**2,728,365**	**-**
Pellucid Diversified Fund *	**9,744,162**	**-**	**-**	**-**	**-**	**9,744,162**	**-**
Unit holder							
As at 30 June 2024							
Pellucid Dynamic Fund *	2,728,365	2,728,365	789,413	12.62	-	-	-
Pellucid Diversified Fund *	9,744,162	9,744,162	2,819,333	45.07	-	-	-

*Holding in PAC Global Esports Fund - Retail Class and PAC Global Fund - Retail Class.

i. Investments

The Fund held investments in the following schemes which are also managed by Equity Trustees Limited or its related parties:

	Fair value of investment	Distributions earned	Distributions receivable	Units acquired during the year	Units disposed during the year
	$	$	$		
As at 30 June 2025					
Claremont Global Fund Hedged	**-**	**-**	**-**	**-**	**971,000**
L1 Capital Catalyst Fund	**-**	**-**	**-**	**-**	**406,789**
MFS Global Opportunistic Fixed Income Trust	**-**	**-**	**-**	**-**	**1,686,981**
T Rowe Price Dynamic Global Bond Fund/Australia	**-**	**-**	**-**	**-**	**94,604**
SGH Opportunities Fund	**-**	**-**	**-**	**-**	**610,188**
Antipodes Emerging Market Debt Fund (formerly known as "Antipodes Asia Income Fund")	**-**	**-**	**-**	**9,660**	**624,392**

13. Related party transactions (continued)

i. Investments (continued)

	Fair value of investment	Distributions earned	Distributions receivable	Units acquired during the year	Units disposed during the year
	$	$	$		
As at 30 June 2024					
Claremont Global Fund Hedged	1,604,091	-	-	971,000	-
L1 Capital Catalyst Fund	502,832	27,074	27,074	663,087	256,298
MFS Global Opportunistic Fixed Income Trust	1,533,466	-	-	3,460,093	1,773,112
T Rowe Price Dynamic Global Bond Fund/Australia	90,858	558	-	462,781	368,177
SGH Opportunities Fund	828,758	-	-	610,188	-
Antipodes Emerging Market Debt Fund (formerly known as "Antipodes Asia Income Fund")	502,420	-	-	1,238,824	624,092

14. Events occurring after the reporting period

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2025 or on the results and cash flows of the Fund for the year ended on that date.

15. Contingent assets and liabilities and commitments

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

Directors' declaration

In the opinion of the directors of the Responsible Entity:

a. The financial statements and notes set out on pages 7 to 32 are in accordance with the *Corporations Act 2001*, including:

   i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii. giving a true and fair view of the Fund's financial position as at 30 June 2025 and of its performance for the financial year ended on that date.

b. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

c. Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Andrew P Godfrey
Director

Melbourne
27 August 2026

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

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

Shape the future with confidence

Independent Auditor's Report to the unit holders of Clearwater Real Return Fund

Opinion

We have audited the financial report of Clearwater Real Return Fund (the Fund), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the Fund's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter – basis of accounting

We draw attention to Note 2(a) of the financial report, which describes the basis of accounting. It is the directors of the Responsible Entity's intention to wind up the Fund prior to the next year end. As a result, the financial report has been prepared on a basis other than going concern as described in Note 2(a). Our opinion is not modified in respect of this matter.

Information other than the Financial Report and Auditor's Report Thereon

The directors of Equity Trustees Limited (the Responsible Entity) are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

Shape the future
with confidence

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Responsible Entity.

Shape the future
with confidence

- Conclude on the appropriateness of the directors of the Responsible Entity's use of the going concern basis of accounting. When such use is inappropriate and the directors of the Responsible Entity use an alternative basis of accounting, we conclude on the appropriateness of the directors of the Responsible Entity's use of the alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young

Jonathan Hall
Partner
Sydney
27 August 2026

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation