

Fermat ILS Yield Fund (formerly known as GAM FCM ILS Yield Fund)

ARSN 154 923 494

Annual report

For the year ended 30 June 2025

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This annual report covers Fermat ILS Yield Fund as an individual entity.

The Responsible Entity of Fermat ILS Yield Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street
Melbourne, VIC 3000.

Directors' report

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

Principal activities

The principal activity of the Fund is to generate returns by investing a majority of its assets into the Fermat Cat Bond Fund (the "Master Fund"), a company incorporated in Cayman Islands, managed by Fermat Capital Management LLC. The Master Fund's investment objective is to generate returns from exposure to a portfolio of Insurance Linked Securities ("ILS"). The Master Fund achieves this through investing its assets in an investment company incorporated in Cayman Islands, GAM FCM Cat Bond Investments Inc (the "Investment Company"). The Investment Company directly invests in and holds a portfolio of global ILS, predominantly catastrophe bonds.

The Fund did not have any employees during the year.

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

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Fermat Capital Management LLC
Custodian	State Street Australia Limited
Statutory Auditor	Deloitte Touche Tohmatsu
Administrator and Registrar	State Street Australia Limited
Specialist Currency Manager	State Street Australia Limited

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 continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

Directors' report (continued)

Review and results of operations (continued)

The Fund's performance for the year ended 30 June 2025 was as follows:

Class	Performance (net of fees)
FCMILS-A	11.47%
FCMILS-IA	11.48%
FCMILS-INZ	11.66%
FCMILS-U	11.74%
FCMILS-V	12.23%
FCMILS-WLEAD	11.51%

The Fund's benchmark, the BBG AustBond Bank Bill/Intelligence ILS Index returned 11.04% for the same period.

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 for years ended 30 June 2025 and 30 June 2024.

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 (\$'000)	37,181	36,768
Distributions - FCMILS-A		
Distributions paid and payable (\$'000)	1,938	874
Distributions (cents per unit)	17.18	8.18
Distributions - FCMILS		
Distributions paid and payable (\$'000)	1,623	2,523
Distributions (cents per unit)*	6.29	8.82
Distributions - FCMILS-W LEAD		
Distributions paid and payable (\$'000)	195	102
Distributions (cents per unit)	15.95	8.33
Distributions - FCMILS-V		
Distributions paid and payable (\$'000)	5,818	2,657
Distributions (cents per unit)	18.35	9.23
Distributions - FCMILS-IA		
Distributions paid and payable (\$'000)	8,797	2,391
Distributions (cents per unit)	13.86	6.71
Distributions - FCMILS-U		
Distributions paid and payable (\$'000)	31,841	3,414
Distributions (cents per unit)*	38.29	4.51

Directors' report (continued)

Review and results of operations (continued)

	Year ended	
	30 June 2025	30 June 2024
Distributions - FCMILS-INZ		
Distributions paid and payable (\$'000)	6,827	3,056
Distributions (cents per unit)	14.25	7.03

*Distributions (cents per unit) excludes special distribution paid in its calculation. The cents per unit figure for special distribution is disclosed at Note 8 to the financial statements.

Significant changes in the state of affairs

In October 2024, class FCMILS units were closed and fully redeemed.

In December 2024, GAM FCM ILS Yield Fund has been renamed to Fermat ILS Yield Fund.

In December 2024, the Master Fund was changed from GAM FCM Cat Bond Inc. to Fermat Cat Bond Fund.

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.

Likely developments and expected results of operations

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

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

Indemnification and insurance of officers

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

Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Directors' report (continued)

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 14 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 14 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 7 to the financial statements.

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

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

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

Auditor's independence declaration

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

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



Andrew P Godfrey
Director

Melbourne
30 September 2025

30 September 2025

The Board of Directors
Equity Trustees Limited
Level 1, 575 Bourke Street
MELBOURNE VIC 3000

Dear Board Members,

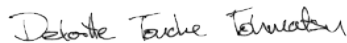
Auditor's Independence Declaration to Fermat ILS Yield Fund (formerly known as GAM FCM ILS Yield Fund)

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Equity Trustees Limited, the Responsible Entity, regarding the financial report of Fermat ILS Yield Fund (formerly known as GAM FCM ILS Yield Fund) ("the Fund").

As lead audit partner for the audit of the financial report of Fund for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Jonathon Corbett
Partner
Chartered Accountants

Statement of comprehensive income

	Note	Year ended	
		30 June 2025 \$'000	30 June 2024 \$'000
Income			
Interest income from financial assets at fair value through profit or loss		135	131
Distribution income		29,055	29,640
Net foreign exchange gain/(loss)		334	(96)
Net gains/(losses) on financial instruments at fair value through profit or loss		<u>11,277</u>	<u>10,389</u>
Total income/(loss)		<u>40,801</u>	<u>40,064</u>
Expenses			
Management fees and costs	14(g)	3,596	3,262
Transaction costs		22	28
Other expenses		<u>2</u>	<u>6</u>
Total expenses		<u>3,620</u>	<u>3,296</u>
Profit/(loss) before finance costs attributable to unit holders for the year		<u>37,181</u>	<u>36,768</u>
Finance costs attributable to unit holders			
Distributions to unit holders	8	(57,039)	(15,017)
(Increase)/decrease in net assets attributable to unit holders	7	<u>19,858</u>	<u>(21,751)</u>
Profit/(loss) for the year		<u>-</u>	<u>-</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>-</u>	<u>-</u>

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 \$'000	30 June 2024 \$'000
Assets			
Cash and cash equivalents	9	18,444	16,063
Receivables	11	12	6
Due from brokers - receivable for securities sold		64,114	1,141
Financial assets at fair value through profit or loss	5	<u>256,896</u>	<u>282,275</u>
Total assets		<u>339,466</u>	<u>299,485</u>
Liabilities			
Distributions payable	8	27,747	9,335
Payables	12	<u>62,823</u>	<u>1,449</u>
Total liabilities (excluding net assets attributable to unit holders)		<u>90,570</u>	<u>10,784</u>
Net assets attributable to unit holders - liability	7	<u>248,896</u>	<u>288,701</u>

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

Statement of changes in equity

	Year ended	
	30 June	30 June
	2025	2024
	\$'000	\$'000
Total equity at the beginning of the financial year	-	-
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
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 2(c) and 7.

Statement of cash flows

	Note	Year ended	
		30 June 2025	30 June 2024
		\$'000	\$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		42,693	31,802
Payments for purchase of financial instruments at fair value through profit or loss		(69,010)	(62,622)
Net foreign exchange gain/(loss)		247	12
Interest income received from financial assets at fair value through profit or loss		135	131
Distributions received		29,055	29,640
Other income received		-	2
Management fees and costs paid		(3,578)	(3,430)
Other expenses paid		(16)	(35)
Net cash inflow/(outflow) from operating activities	10(a)	<u>(474)</u>	<u>(4,500)</u>
Cash flows from financing activities			
Proceeds from applications by unit holders		52,205	42,673
Payments for redemptions by unit holders		(28,474)	(31,343)
Distributions paid to unit holders		(20,963)	(3,168)
Net cash inflow/(outflow) from financing activities		<u>2,768</u>	<u>8,162</u>
Net increase/(decrease) in cash and cash equivalents		2,294	3,662
Cash and cash equivalents at the beginning of the year		16,063	12,509
Effect of foreign currency exchange rate changes on cash and cash equivalents		87	(108)
Cash and cash equivalents at the end of the year	9	<u>18,444</u>	<u>16,063</u>
Non-cash operating and financing activities	10(b)	17,664	2,514

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

Notes to the financial statements

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1 General information

These financial statements cover Fermat ILS Yield Fund (the “Fund”) as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 21 December 2011 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 1, 575 Bourke 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 Fermat Capital Management LLC (the “Investment Manager”). The custody and administration services of the Fund is delegated to State Street Australia Limited (the “Custodian and Administrator”).

The principal activity of the Fund is to generate returns by investing a majority of its assets into the Fermat Cat Bond Fund (the “Master Fund”), a company incorporated in Cayman Islands, managed by Fermat Capital Management LLC. The Master Fund’s investment objective is to generate returns from exposure to a portfolio of Insurance Linked Securities (“ILS”). The Master Fund achieves this through investing its assets in an investment company incorporated in Cayman Islands, GAM FCM Cat Bond Investments Inc (the “Investment Company”). The Investment Company directly invests in and holds a portfolio of global ILS, predominantly catastrophe bonds.

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

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

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

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

(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.

2 Summary of material accounting policy information (continued)

(a) Basis of preparation (continued)

(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. 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.

Unlisted unit trusts are measured at fair value through profit or loss.

For cash and cash equivalents, receivables and due from brokers - receivables for securities sold, 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 and payables).

2 Summary of material accounting policy information (continued)

(b) Financial instruments (continued)

(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 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 at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

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

- Financial instruments at amortised cost

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

Cash and cash equivalents, receivables, due from brokers - receivable for securities sold, distributions payable and payables are carried at amortised cost.

(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 and due from brokers - receivable for securities sold) 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 counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The 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.

2 Summary of material accounting policy information (continued)

(b) Financial instruments (continued)

(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 Fund's units are classified as equity if they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and 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.

As this is a multi-class Fund, units are classified as financial liabilities as they do not meet the requirements of equity in accordance with AASB 132 *Financial Instruments: Presentation*.

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.

(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. 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 measured at fair value through the profit or loss.

2 Summary of material accounting policy information (continued)

(e) Income (continued)

(i) Interest income (continued)

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

Interest income on financial assets at fair value through profit or loss is also recognised in the statement of comprehensive income. 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) Distributions

Trust 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 cover certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees.

(g) Income tax

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

(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.

(j) Foreign currency translation

(i) Functional and presentation currency

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

2 Summary of material accounting policy information (continued)

(j) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments at fair value through profit or loss which is due to changes in foreign exchange rates. Such fluctuations are included in the net gains/(losses) on financial instruments at fair value through profit or loss.

(k) Due from/to brokers

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

(l) Receivables

Receivables may include amounts for interest, GST and trust distribution. Trust 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 30-90 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.

2 Summary of material accounting policy information (continued)

(p) Use of estimates and judgements

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

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

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

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

(q) Rounding of amounts

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

3 Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, 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. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on the investment in the unlisted unit trusts is limited to the fair value of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Fermat Capital Management LLC ("Fermat"), 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 seeks to generate returns by investing in a portfolio of ILS with potentially global exposure, predominantly catastrophe bonds. The Fund pursues its investment objective by investing all of its assets into the Master Fund.

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

(a) Market risk

(i) Price risk

The Fund is exposed to price risk on its investments in the Master Fund. Price risk from investments held by the Fund is due to the unpredictability of natural catastrophes which, when they occur, can cause short term unrealised losses (price decrease) and ultimately partial or total realised losses of principal.

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The Fund has a significant concentration of risk arising from its exclusive investment in the Master Fund. As at 30 June 2024, the Fund's investment in the Master Fund represents 100% of the Fund's financial assets at fair value through profit or loss.

Fermat Capital Management LLC manages price risk for the Fund's investment in the Master Fund through a diversified selection of individual securities held in the Master Fund that have, for example, different triggering mechanisms, different catastrophe exposures, or different issuers. This security selection is completed in line with the guidelines of the IMA. Risk exposure restrictions are:

- Under normal circumstances, maximum exposure to non-natural catastrophe risk instruments of 10% of the portfolio (at the time of purchase); and
- Under normal circumstances, maximum exposure to any single security of 10% of the portfolio (at the time of purchase).

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 +/-15% (2024: +/-15%).

(ii) Foreign exchange risk

The Fund's objective is to invest in the USD denominated share class of the Master Fund and any of the Fund's non-USD share classes will therefore be directly exposed to foreign exchange risk. Foreign exchange risk arises as the value of the non-USD share classes fluctuate due to changes in exchange rates. The Responsible Entity has appointed State Street Bank and Trust Company to undertake a foreign currency overlay program to execute foreign exchange hedging transactions aimed at minimising any currency exposure related to the Fund's non-USD share class investments in the Master Fund.

The Fund has an investment in the Master Fund at 30 June 2025. The Master Fund operates internationally and holds monetary assets denominated in a variety of currencies (USD, NZD). The foreign exchange risk related to the Master Fund's non-USD assets is managed by the Investment Manager using currency forwards.

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

	US Dollars A\$'000	New Zealand Dollars A\$'000
As at 30 June 2025		
Cash and cash equivalents	6,458	3,114
Financial assets at fair value through profit or loss	<u>77,629</u>	<u>51,461</u>
Net exposure	<u>84,087</u>	<u>54,575</u>
	US Dollars A\$'000	New Zealand Dollars A\$'000
As at 30 June 2024		
Cash and cash equivalents	8,483	2,063
Due from brokers - receivable for securities sold	-	293
Financial assets at fair value through profit or loss	119,336	44,500
Distributions payable	<u>(2,882)</u>	<u>(2,075)</u>
Net exposure	<u>124,937</u>	<u>44,781</u>

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

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

The Fund has the objective to invest mainly in the Master Fund. The Master Fund's interest bearing financial instruments expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position 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.

The Fund holds cash for liquidity and transactional purposes and this cash is held at floating interest rates. As a result, the Fund is subject to a limited exposure to interest rate risks due to fluctuations in the levels of market interest rates.

There are no other significant interest risk exposures.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates and the historical correlation of the Fund's investments with 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	
	+15%	-15%
	\$'000	\$'000
As at 30 June 2025	38,534	(38,534)
As at 30 June 2024	42,341	(42,341)

	Impact on net assets attributable to unit holders			
	Foreign exchange risk			
	+15%	-15%	+15%	-15%
	US Dollar \$'000	US Dollar \$'000	New Zealand Dollar \$'000	New Zealand Dollar \$'000
As at 30 June 2025	12,613	(12,613)	8,186	(8,186)
As at 30 June 2024	18,741	(18,741)	6,717	(6,717)

(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 investments in the Investment Company through the Master Fund, cash and cash equivalents and amounts receivables from the Master Fund balances. The Investment Manager aims to manage the impact of credit risk arising from the Investment Company's investments through the use of consistent and carefully considered investment guidelines. 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.

3 Financial risk management (continued)

(c) Credit risk (continued)

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 considers 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 with a credit rating of AA- or higher. Management considers 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.

The Fund manages credit risk in line with the requirements of the IMA as follows:

(i) Catastrophe bonds

For catastrophe bonds, counterparty credit risk is mitigated through the use of collateral trust accounts that are managed by third parties and are subject to restrictive investment guidelines. Further, trust account holdings and third party managers are monitored on a periodic basis.

(ii) Other forms of ILS

For other forms of ILS such as private notes or similar instruments, counterparty risk is managed through the use of segregated trust accounts along with periodic monitoring of collateral accounts and counterparties.

(iii) Derivative financial instruments

For derivative financial instruments, State Street Bank and Trust Company as Currency Manager, has established daily derivatives trading limits such that transactions only take place with participants of the Australian Securities Exchange in accordance with their Derivatives Policy and Derivatives Risk Statement.

(iv) Cash and cash equivalents

Cash and cash equivalents are generally held for trading and cash flow management purposes only at a usual level of not greater than 10% of the Fund. Cash is held as deposits with the Fund's Custodian.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of at least AA- (2024: at least AA-) (as determined by Standard and Poor's).

(v) Repurchase and reverse repurchase agreements

The Fund may engage in ILS repurchase transactions. Under the terms of an ILS repurchase agreement, the Fund will sell an ILS, subject to an obligation to repurchase, and the counterparty an obligation to resell at an agreed upon price and time. The underlying securities for all repurchase agreements are held in safekeeping at the counterparty. The market value of the collateral must be equal to or exceed the total amount of the repurchase obligations, including interest. Securities sold under repurchase agreements are reflected as an asset in the statement of financial position. There was no outstanding reverse repurchase agreements as at 30 June 2025 and the counterparty to the outstanding reverse repurchase agreements as 30 June 2024 was JPMorgan Securities plc with a rating of A+.

(vi) Other

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

(vii) 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.

3 Financial risk management (continued)

(d) Liquidity risk (continued)

The Fund's main exposure to liquidity risk arises from the requirement to meet monthly unit holders' redemption requests. While the withdrawal procedures are designed to minimise negative impacts on the Fund's NAV, the Fund may suffer losses due to withdrawals that are not compensated by the buy/sell spread. The Investment Manager monitors and manages the level of liquidity in the Fund.

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.

The Fund is exposed to indirect liquidity risk via its investment in the Master Fund. The Master Fund invests in a diversified portfolio of ILS with global exposure, predominantly catastrophe bonds, forward currency contracts, other related derivatives and cash some of which may not be readily saleable. The Fund manages liquidity risk by maintaining sufficient cash balances to meet its obligations.

(i) Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month. Units are redeemed on demand at the unit holder's option. However, the Responsible Entity does not envisage that the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

4 Fair value measurement

The Fund is an Australian Feeder Fund investing a majority of its assets into the Fermat Cat Bond Fund (the "Master Fund"), a company incorporated in Cayman Islands, managed by Fermat Capital Management LLC.

The Fund measures and recognises financial assets and liabilities 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.

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) 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:

- Investments in unlisted unit trusts are valued at the redemption price per unit as reported by the underlying fund's investment manager.

4 Fair value measurement (continued)

(a) Significant observable inputs (Level 2) (continued)

The Fund's investment in the Master Fund is recorded at the net asset value per unit as reported by Fermat Capital Management LLC, the manager of the Master Fund.

The Fund makes adjustments to the redemption value based on considerations such as the liquidity of the unit trust or its underlying investment, or any restrictions on redemptions and the basis of accounting.

(b) 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 and 30 June 2024.

As at 30 June 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Unlisted unit trusts	-	256,896	-	256,896
Total financial assets	-	256,896	-	256,896
As at 30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Unlisted unit trusts	-	282,275	-	282,275
Total financial assets	-	282,275	-	282,275

(c) 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.

(d) Financial instruments not carried at fair value

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

- i. Cash and cash equivalents, balances due from/to brokers and receivables/payables under sale and repurchase agreements. 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
	\$'000	\$'000
Unlisted unit trusts	256,896	282,275
Total financial assets at fair value through profit or loss	256,896	282,275

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 Structured 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 its investment in the Master Fund to be a structured entity. The Fund invests in the Master Fund for the purpose of capital appreciation and/or earning investment income.

The exposure to investments in the Master Fund at fair value is disclosed in the following table:

	Fair value of investment	
	30 June 2025	30 June 2024
	\$'000	\$'000
Fermat Cat Bond Fund	256,896	282,275

The fair value of the Scheme is included in financial assets at fair value through profit or loss in the statement of financial position.

The Fund's maximum exposure to loss from its interest in the Scheme is equal to the fair value of its investments in the Master Fund as there are no off-balance sheet exposures relating to any of the Master Fund. Once the Fund has disposed of its units in the Master Fund, it ceases to be exposed to any risk from the Master Fund.

During the year ended 30 June 2025, total gains/(losses) incurred on investments in the Master Fund were \$11,276,047 (2024: \$23,731,719). The Fund also earned distribution income of \$29,054,893 (2024: \$29,640,164) as a result of its interests in the Master Fund.

7 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			
	30 June 2025 Units '000	30 June 2025 \$'000	30 June 2024 Units '000	30 June 2024 \$'000
FCMILS-A				
Opening balance	10,788	13,225	11,101	12,756
Applications	79	100	130	159
Redemptions	(326)	(421)	(714)	(894)
Reinvestment of distributions	907	1,132	271	333
Increase/(decrease) in net assets attributable to unit holders	-	(390)	-	871
Closing balance	11,448	13,646	10,788	13,225
FCMILS				
Opening balance	23,521	29,116	43,211	50,208
Applications	-	-	197	244
Redemptions	(23,521)	(28,961)	(19,887)	(24,551)
Increase/(decrease) in net assets attributable to unit holders	-	(155)	-	3,215
Closing balance	-	-	23,521	29,116
FCMILS-W LEAD				
Opening balance	1,223	1,545	2,145	2,534
Applications	-	-	77	99
Redemptions	-	-	(999)	(1,210)
Increase/(decrease) in net assets attributable to unit holders	-	(21)	-	122
Closing balance	1,223	1,524	1,223	1,545
FCMILS-V				
Opening balance	29,221	36,583	28,215	33,098
Reinvestment of distributions	3,135	3,997	1,006	1,278
Increase/(decrease) in net assets attributable to unit holders	-	(1,176)	-	2,207
Closing balance	32,356	39,404	29,221	36,583
FCMILS-IA				
Opening balance	38,682	39,034	15,351	14,510
Applications	36,565	38,413	25,130	25,611
Redemptions	(2,503)	(2,665)	(1,861)	(1,915)
Reinvestment of distributions	223	229	62	64
Increase/(decrease) in net assets attributable to unit holders	-	(3,196)	-	764
Closing balance	72,967	71,815	38,682	39,034

7 Net assets attributable to unit holders - liability (continued)

	Year ended			
	30 June 2025 Units '000	30 June 2025 \$'000	30 June 2024 Units '000	30 June 2024 \$'000
FCMILS-U				
Opening balance	75,753	124,752	74,444	109,787
Applications	1,859	3,290	1,013	1,682
Redemptions	(35,382)	(52,546)	-	-
Reinvestment of distributions	6,189	10,648	296	501
Increase/(decrease) in net assets attributable to unit holders	-	(14,061)	-	12,782
Closing balance	<u>48,419</u>	<u>72,083</u>	<u>75,753</u>	<u>124,752</u>
FCMILS-INZ				
Opening balance	43,811	44,446	32,934	31,320
Applications	9,739	10,402	14,297	14,878
Redemptions	(4,937)	(5,224)	(3,744)	(3,880)
Reinvestment of distributions	1,613	1,658	324	338
Increase/(decrease) in net assets attributable to unit holders	-	(859)	-	1,790
Closing balance	<u>50,226</u>	<u>50,423</u>	<u>43,811</u>	<u>44,446</u>
Closing balance		<u>248,896</u>		<u>288,701</u>

There are 7 separate classes of units (with the wholesale class having 7 series) and each unit has the same rights attaching to it as all other units within its unit class. Class FCMILS units were closed and fully redeemed on 31 October 2024. Except for different management fee rates, the 7 different classes have the same rights and restrictions. Each series of units within the same class has the same rights as all other units within that class.

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 period 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. The amount of net assets attributable to unit holders can change significantly on a regular basis as the Fund is subject to monthly applications and redemptions at the discretion of unit holders.

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

8 Distributions to unit holders

The distributions declared during the year were as follows:

	Year ended			
	30 June 2025 \$'000	30 June 2025 CPU	30 June 2024 \$'000	30 June 2024 CPU
Distributions - FCMILS-A				
September	341	3.09	-	-
December	415	3.76	9	0.08
March	100	0.88	393	3.73
June (payable)	<u>1,082</u>	<u>9.45</u>	<u>472</u>	<u>4.37</u>
Total distributions	<u>1,938</u>	<u>17.18</u>	<u>874</u>	<u>8.18</u>
Distributions - FCMILS				
September	752	6.29	-	-
September*	443	3.83	-	-
October*	428	3.58	449	2.26
December	-	-	115	0.49
March	-	-	898	3.82
June (payable)	<u>-</u>	<u>-</u>	<u>1,061</u>	<u>4.51</u>
Total distributions	<u>1,623</u>	<u>13.70</u>	<u>2,523</u>	<u>11.08</u>
Distributions - FCMILS-W LEAD				
September	39	3.19	-	-
December	24	1.95	-	-
March	11	0.93	47	3.83
June (payable)	<u>121</u>	<u>9.88</u>	<u>55</u>	<u>4.50</u>
Total distributions	<u>195</u>	<u>15.95</u>	<u>102</u>	<u>8.33</u>
Distributions - FCMILS-V				
September	1,016	3.35	-	-
December	1,243	3.99	133	0.47
March	359	1.12	1,145	4.04
June (payable)	<u>3,200</u>	<u>9.89</u>	<u>1,379</u>	<u>4.72</u>
Total distributions	<u>5,818</u>	<u>18.35</u>	<u>2,657</u>	<u>9.23</u>
Distributions - FCMILS-IA				
September	1,105	2.42	-	-
December	1,550	2.90	38	0.15
March	413	0.69	942	2.91
June (payable)	<u>5,729</u>	<u>7.85</u>	<u>1,411</u>	<u>3.65</u>
Total distributions	<u>8,797</u>	<u>13.86</u>	<u>2,391</u>	<u>6.71</u>
Distributions - FCMILS-U				
September	3,302	4.17	-	-
December	3,784	4.71	-	-
March	1,406	1.70	532	0.71
June*	9,930	28.07	-	-
June (payable)	<u>13,419</u>	<u>27.71</u>	<u>2,882</u>	<u>3.80</u>
Total distributions	<u>31,841</u>	<u>66.36</u>	<u>3,414</u>	<u>4.51</u>

8 Distributions to unit holders (continued)

	Year ended			
	30 June 2025 \$'000	30 June 2025 CPU	30 June 2024 \$'000	30 June 2024 CPU
Distributions - FCMILS-INZ				
September	1,196	2.86	-	-
December	1,123	2.40	-	-
March	312	0.64	981	2.29
June (payable)	<u>4,196</u>	<u>8.35</u>	<u>2,075</u>	<u>4.74</u>
Total distributions	<u>6,827</u>	<u>14.25</u>	<u>3,056</u>	<u>7.03</u>
Total distributions	<u>57,039</u>		<u>15,017</u>	

*The October 2023 (CPU: 2.26), September 2024 (CPU: 3.83), October 2024 (CPU: 3.58) and June 2025 (CPU: 56.13) distributions represent special distributions paid by the Fund due to unit holders redemptions of greater than 5% of the net assets of the Fund. Due to these redemptions, as outlined in the Product Disclosure Statement, a portion of the withdrawal proceeds represented distributable income to the redeeming unit holder. Refer to the Fund's Product Disclosure Statement for details on special distributions.

9 Cash and cash equivalents

	As at	
	30 June 2025 \$'000	30 June 2024 \$'000
Cash at bank	<u>18,444</u>	<u>16,063</u>
Total cash and cash equivalents	<u>18,444</u>	<u>16,063</u>

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

	Year ended	
	30 June 2025	30 June 2024
	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unit holders	(19,858)	21,751
Distributions to unit holders	57,039	15,017
Proceeds from sale of financial instruments at fair value through profit or loss	42,693	31,802
Payments for purchase of financial instruments at fair value through profit or loss	(69,010)	(62,622)
Net (gains)/losses on financial instruments at fair value through profit or loss	(11,277)	(10,389)
Net foreign exchange (gain)/loss	(87)	108
Net change in receivables	(6)	2
Net change in payables	32	(169)
Net cash inflow/(outflow) from operating activities	<u>(474)</u>	<u>(4,500)</u>
(b) Non-cash operating and financing activities		
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	17,664	2,514
The following purchases of financial instruments were satisfied by the non-cash activities	(273,257)	-
The following sales of financial instruments were satisfied by the non-cash activities	273,257	-
Total non-cash operating and financing activities	<u>17,664</u>	<u>2,514</u>

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount for the year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

11 Receivables

	As at	
	30 June 2025	30 June 2024
	\$'000	\$'000
GST receivable	12	6
Total receivables	<u>12</u>	<u>6</u>

12 Payables

	As at	
	30 June 2025	30 June 2024
	\$'000	\$'000
Management fees and costs payable	333	315
Redemptions payable	62,476	1,134
Other payables	14	-
Total payables	<u>62,823</u>	<u>1,449</u>

13 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
	\$	\$
Deloitte Touche Tohmatsu		
<i>Audit and other assurance services</i>		
Audit of financial statements	42,919	36,815
Total auditor remuneration and other assurance services	42,919	36,815
<i>Taxation services</i>		
Tax compliance services	25,325	24,570
Total remuneration for taxation services	25,325	24,570
Total remuneration of Deloitte Touche Tohmatsu	68,244	61,385
PricewaterhouseCoopers		
<i>Audit and other assurance services</i>		
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 exclusive of GST.

14 Related party transactions

The Responsible Entity of Fermat ILS Yield 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.

(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.

14 Related party transactions (continued)

(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 EQT Services Pty Ltd. 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	3,596,333	3,261,796
Management fees and costs payable at year end	333,074	314,520

Equity Trustees Limited earned \$80,293 (2024: \$65,974) for Responsible Entity fees provided to the Fund paid from management fees and costs.

Under the terms of the Fund's Constitution and Product Disclosure Statement, management fees and costs include 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.

14 Related party transactions (continued)

(g) Responsible Entity fees and other 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:

Unit holder As at 30 June 2025	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 \$
FCM Cat Fund Australia	29,220,796	32,355,419	39,402,429	15.83%	3,134,623	-	5,818,197

Unit holder As at 30 June 2024	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 \$
FCM Cat Fund Australia	28,215,994	29,220,796	36,581,515	12.67%	1,004,802	-	2,657,471

(i) Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the year (30 June 2024: nil).

15 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.

16 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
30 September 2025

Independent Auditor's Report to the Unit Holders of Fermat ILS Yield Fund (formerly known as GAM FCM ILS Yield Fund)

Opinion

We have audited the financial report of Fermat ILS Yield Fund (formerly known as GAM FCM ILS Yield Fund) (the "Fund") which comprises the statement of financial position as at 30 June 2025, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the Directors' declaration.

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

- 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 then ended; and
- 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 & 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity of the Fund (the "Directors"), would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors are responsible:

- For the preparation of 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 in accordance with Australian Accounting Standards; and
- For such internal control as the Directors determine is necessary to enable the preparation of 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the fund or to cease operations, or has 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 judgement 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.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



DELOITTE TOUCHE TOHMATSU



Jonathon Corbett
Partner
Chartered Accountants

Sydney, 30 September 2025