

LSN Emerging Companies Fund

ARSN 685 037 683

Annual report

For the year ended 30 June 2025

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The annual report cover LSN Emerging Companies Fund as an individual entity.

The Responsible Entity of LSN Emerging Companies 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 LSN Emerging Companies 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 was constituted on 8 November 2021, registered with the Australian Securities and Investments Commission on 12 March 2025 and commenced operations on 15 December 2021.

The Fund invests in emerging ASX listed companies in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

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 of the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited*
Investment Manager	LSN Capital Partners Pty Ltd
Administrator and Custodian	MUFG Corporate Markets
Statutory Auditor	Deloitte Touche Tohmatsu

*On 12 March 2025, Equity Trustees Limited was appointed as the Fund's Trustee following the retirement of Currawong Fund Services Pty Ltd as Trustee of the Fund. On the same day Equity Trustees Limited became Responsible Entity of the Fund following the confirmation of its ASIC registration.

Directors

The following persons held office as directors of Currawong Fund Services Pty Ltd from 8 November 2021 to 11 March 2025:

Luke MacRedmond
Murray Jones

The following persons held office as directors of Equity Trustees Limited from 12 March 2025 up to the date of this report:

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

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.

The Fund's performance was 4.00% (net of fees) for the period ended 30 June 2025. The Fund's benchmark, the S&P/ASX Small Ordinaries Accumulation Index returned 12.26% for the same period.

Review and results of operations (continued)

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

	Year ended	
	30 June 2025	30 June 2024
Operating profit/(loss) before finance costs attributable to unitholders (\$'000)	302	1,490
<i>Distributions</i>		
Distributions paid or payable (\$'000)	156	588
Distributions (cents per unit)	1.1165	5.4462

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the 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 significantly affect:

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

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Information Memorandum 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 regards 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.

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 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 5.

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
24 September 2025

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Australia

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24 September 2025

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

Dear Board Members,

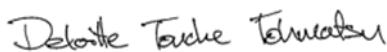
Auditor's Independence Declaration – LSN Emerging Companies fund

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 LSN Emerging Companies Fund (the "Fund").

As lead audit partner for the audit of the financial report of the 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

LSN Emerging Companies Fund
Statement of comprehensive income
For the year ended 30 June 2025

Statement of comprehensive income

		Year ended	
		30 June	30 June
		2025	2024
	Notes	\$'000	\$'000
Investment income			
Interest income from financial assets at amortised cost		15	11
Dividend income		389	155
Net gains/(losses) on financial instruments at fair value through profit or loss		196	1,716
Management fees and costs reimbursement	13	97	65
Total investment income		697	1,947
Expenses			
Management fees and costs	13	357	244
Transaction costs		38	25
Performance fee expense		-	188
Total operating expenses		395	457
Operating profit before finance costs attributable to unitholders		302	1,490
Finance costs attributable to unitholders			
Distributions to unitholders	7	(156)	(588)
(Increase)/decrease in net assets attributable to unitholders	6	(146)	(902)
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.

LSN Emerging Companies Fund
Statement of financial position
As at 30 June 2025

Statement of financial position

		As at	
		30 June	30 June
		2025	2024
	Notes	\$'000	\$'000
Assets			
Cash and cash equivalents	8	732	283
Receivables	10	206	52
Due from brokers - receivable for securities sold		-	89
Financial assets at fair value through profit or loss	5	15,941	12,670
Total assets		16,879	13,094
Liabilities			
Distributions payable	7	156	588
Payables	11	269	151
Due to brokers - payable for securities purchased		345	133
Total liabilities (excluding net assets attributable to unitholders)		770	872
Net assets attributable to unitholders - liability	6	16,109	12,222

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

LSN Emerging Companies Fund
Statement of changes in equity
For the year ended 30 June 2025

Statement of changes in equity

	Year ended	
	30 June 2025 \$'000	30 June 2024 \$'000
Total equity at the beginning of the financial year	-	-
Comprehensive income for the financial year		
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income/(loss)	-	-
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 period.

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

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

LSN Emerging Companies Fund
Statement of cash flows
For the year ended 30 June 2025

Statement of cash flows

	Year ended	
	30 June	30 June
	2025	2024
Notes	\$'000	\$'000
Cash flows from operating activities		
Proceeds from sale of financial assets at fair value through profit or loss	16,796	8,355
Payments for purchase of financial assets at fair value through profit or loss	(19,570)	(13,297)
Dividends and distributions received	382	153
Interest income received from financial assets at amortised cost	15	11
Management fees and costs reimbursement received	14	72
Other income received	(28)	(11)
Management fees and costs paid	(192)	(212)
Performance fees paid	(47)	(188)
Transaction costs paid	(38)	(25)
Other expenses paid	(7)	(11)
Net cash (outflow) from operating activities	9(a) (2,675)	(5,153)
Cash flows from financing activities		
Proceeds from applications by unitholders	3,904	5,284
Payments for redemptions by unitholders	(609)	(119)
Distributions paid to unitholders	(171)	-
Net cash inflow from financing activities	3,124	5,165
Net increase in cash and cash equivalents	449	12
Cash and cash equivalents at the beginning of the year	283	271
Cash and cash equivalents at the end of the year	8 732	283
Non-cash financing activities	9(b) 417	-

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 LSN Emerging Companies Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 8 November 2021, commenced operations on 15 December 2021 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 LSN Capital Partners Pty Ltd (the investment manager). The custody and administration services of the Fund is delegated to MUFG Corporate Markets (the custodian and administrator).

The Fund invests in emerging ASX listed companies in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

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 the period 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 net assets attributable to unitholders.

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

In the case of net assets attributable to unitholders, the units are redeemable on demand at the unitholder's 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).

2 Summary of material accounting policy information (continued)

(a) Basis of preparation (continued)

(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. 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 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.

Equity securities are measured at fair value through profit or loss.

For cash and cash equivalents and receivables, 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 flow that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

2 Summary of material accounting policy information (continued)

(b) Financial instruments (continued)

(i) Classification (continued)

- 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, management fees and costs payable, and due to brokers).

(ii) Recognition and derecognition

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

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 liabilities are discharged, cancelled or expired.

(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 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, due from brokers and receivables 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 and receivables) 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 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.

2 Summary of material accounting policy information (continued)

(b) Financial instruments (continued)

(iv) Impairment (continued)

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a 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 there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

As at the end of the reporting 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 unitholders

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

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

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

(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 from the date of acquisition 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.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial 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

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.

2 Summary of material accounting policy information (continued)

(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, and administration and audit fees and other operating expense.

(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 unitholders.

(h) Distributions

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

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

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

(j) Foreign currency translation

(i) Functional and presentation currency

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.

(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 period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates. Such fluctuations are included with 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 period end. 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 dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a monthly basis. Amounts are generally received within 30 days of being recorded as receivables.

(m) Payables

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

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

2 Summary of material accounting policy information (continued)

(m) Payables (continued)

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

(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) 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 period. 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.

For the majority of the Fund's financial instruments, quoted market prices are readily available.

For more information on how fair value is calculated please 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.

(r) Comparative revisions

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

3 Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price 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 securities is limited to the fair value of those positions.

3 Financial risk management (continued)

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, LSN Capital Partners Pty Ltd, under an Investment Management Agreement (IMA) approved by the Responsible Entity and containing the investment strategy and investment 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

(i) Price risk

The Fund is exposed to price risk on equity securities listed or quoted on recognised securities exchange. Price risk arises from investments held by the Fund for which prices in the future are uncertain.

The Investment Manager intends to diversify the Fund's investments as it deems appropriate and consistent with the Fund's investment objective. However, a key investment strategy for the Fund is to concentrate on a small number of investments, which is likely to subject the portfolio to a greater level of volatility than a more broadly focused investment strategy.

While continuing to follow their respective investment objectives, price risk is managed by the Investment Manager taking into account the asset allocation of the portfolio holdings, investing in Australian listed securities, up to 20% of the value of the portfolio and holding cash reserves in times of market volatility.

The Fund has not made any other changes to the methods or assumptions used to determine its sensitivity to the market risk compared to the comparative period.

The table in 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 move by +/- 15% (2024: +/- 15%).

(ii) 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.

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000
As at 30 June 2025				
Assets				
Cash and cash equivalents	732	-	-	732
Receivables	-	-	206	206
Financial assets at fair value through profit or loss	-	-	15,941	15,941
Total assets	732	-	16,147	16,879
Liabilities				
Distributions payable	-	-	156	156
Payables	-	-	269	269
Due to brokers - payable for securities purchased	-	-	345	345
Total liabilities	-	-	770	770
Net exposure	732	-	15,377	16,109
As at 30 June 2024				
Assets				
Cash and cash equivalents	283	-	-	283
Receivables	-	-	52	52
Due from brokers - receivable for securities sold	-	-	89	89
Financial assets at fair value through profit or loss	-	-	12,670	12,670
Total assets	283	-	12,811	13,094
Liabilities				
Distributions payable	-	-	588	588
Payables	-	-	151	151
Due to brokers - payable for securities purchased	-	-	133	133
Total liabilities	-	-	872	872
Net exposure	283	-	11,939	12,222

3 Financial risk management (continued)

(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 unitholders			
	Price risk		Interest rate risk	
	+15%	-15%	+75bps	-75bps
	\$'000	\$'000	\$'000	\$'000
30 June 2025	2,391	(2,391)	5	(5)
30 June 2024	1,901	(1,901)	2	(2)

(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 expected credit losses 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 expected credit loss. 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 and are either callable on demand or due to be settled within 1 week. 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 expected credit losses as any such impairment would be wholly insignificant to the Fund.

(i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

(ii) Cash and cash equivalents

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

(iii) Other

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

3 Financial risk management (continued)

(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 monthly unit holder redemption requests.

Liquidity risk is managed by investing the majority of its assets in investments that can be readily disposed of.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Fund did not reject or withhold any redemptions during 2025 and 2024.

(i) *Maturities of non-derivative financial liabilities*

All non-derivative liabilities of the Fund in the current period have maturities of less than one month.

4 Fair value measurement

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.

For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

(a) *Quoted prices in active market (Level 1)*

The fair value of financial assets and liabilities traded in active markets (such as listed equity securities) is based on their 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 last-traded price.

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.

4 Fair value measurement (continued)

(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.

As at 30 June 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Australian listed equity securities	15,941	-	-	15,941
Total financial assets	15,941	-	-	15,941

As at 30 June 2024

Financial assets				
Australian listed equity securities	12,670	-	-	12,670
Total financial assets	12,670	-	-	12,670

(c) Transfers 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 as at the end of the reporting period.

(d) 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 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 \$'000	30 June 2024 \$'000
Australian listed equity securities	15,941	12,670
Total financial assets at fair value through profit or loss	15,941	12,670

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

6 Net assets attributable to unitholders - 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.

As a result, the Fund's distributions to unit holders and (increase)/decrease in net assets attributable to unit holders have been classified as finance costs in the statement of comprehensive income.

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

	Year ended		Year ended	
	30 June 2025	30 June 2025	30 June 2024	30 June 2024
	Units '000	\$'000	Units '000	\$'000
Opening balance	10,789	12,222	6,781	6,705
Applications	3,431	3,933	4,113	4,734
Redemptions	(605)	(609)	(105)	(119)
Reinvestment of distributions	368	417	-	-
Increase/(decrease) in net assets attributable to unitholders	-	146	-	902
Closing balance	13,983	16,109	10,789	12,222

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

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

Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a monthly basis as the Fund is subject to monthly applications and redemptions at the discretion of unitholders.

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

7 Distributions to unitholders

The distributions declared during the year were as follows:

	Year ended		Year ended	
	30 June 2025	30 June 2025	30 June 2024	30 June 2024
	\$'000	CPU	\$'000	CPU
June (payable)	156	1.1165	588	5.4462
Total distributions	156	1.1165	588	5.4462

8 Cash and cash equivalents

	As at	
	30 June 2025 \$'000	30 June 2024 \$'000
Cash at bank	732	283
Total cash and cash equivalents	732	283

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 \$'000	30 June 2024 \$'000
Increase/(decrease) in net assets attributable to unitholders	146	902
Distributions to unitholders	156	588
Proceeds from sale of financial assets at fair value through profit or loss	16,796	8,355
Payments for purchase of financial assets at fair value through profit or loss	(19,570)	(13,297)
Net gains on financial instruments at fair value through profit or loss	(196)	(1,716)
Net change in receivables	(125)	6
Net change in payables	118	9
Net cash (outflow) from operating activities	(2,675)	(5,153)

(b) Non-cash financing activities

	Year ended	
	30 June 2025 \$'000	30 June 2024 \$'000
The following distribution payments to unitholders were satisfied by the issue of units under the distribution reinvestment plan	417	-
Total non-cash financing activities	417	-

10 Receivables

	As at	
	30 June 2025 \$'000	30 June 2024 \$'000
Applications receivable	29	-
Dividends receivable	15	8
Management fees and costs reimbursement receivable	97	14
GST receivable	26	19
Other Receivable	39	11
Total receivables	206	52

11 Payables

	As at	
	30 June 2025 \$'000	30 June 2024 \$'000
Performance fees payable	-	50
Management fees and costs payable	269	101
Total payables	269	151

12 Remuneration of auditor

During the period the following fees were paid or payable for services provided by the auditor of the Fund:

	Year ended 30 June 2025 \$
Deloitte Touche Tohmatsu	
<i>Audit and other assurance services</i>	
Audit of financial statements	15,000
Total remuneration for audit and other assurance services	15,000
<i>Taxation services</i>	
Tax compliance services	10,000
Total remuneration for taxation services	10,000
Total remuneration of Deloitte Touche Tohmatsu	25,000
PricewaterhouseCoopers	
<i>Audit and other assurance services</i>	
Audit of compliance plan	2,448
Total remuneration for audit and other assurance services	2,448
Total remuneration of PricewaterhouseCoopers	2,448

The remuneration to auditor is paid directly by the Fund. Fees are stated exclusive of GST.

There are no comparative numbers for Note 12 as this is the first year that the Fund is being audited.

13 Related party transactions

The Responsible Entity of LSN Emerging Companies 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, schemes managed by the Responsible Entity and key management personnel of the Responsible Entity.

(a) Key management personnel

(i) Directors

The following persons held office as directors of Currawong Fund Services Pty Ltd from 8 November 2021 to 11 March 2025:

Luke MacRedmond
Murray Jones

The following persons held office as directors of Equity Trustees Limited from 12 March 2025 up to the date of this report:

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

(ii) Responsible Entity

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

(ii) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial period.

(b) Transactions with key management personnel

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

(c) Key management personnel unitholdings

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 do 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 key management personnel's interests existing at year end.

13 Related party transactions (continued)

(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	356,268	430,666
Management fees and costs reimbursement for the year	(96,870)	(65,127)
Management fees and costs payable at year end	269,607	101,273
Management fees and costs reimbursement receivable at year end	(96,840)	(13,797)

Equity Trustees Limited earned \$23,068 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.

Management fees and cost reimbursed represent monies put into the Fund to ensure that the Fund's overall management fees and costs remain within those disclosed in the Product Disclosure Statement.

(h) Related party unitholdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited) held no units in the Fund as at 30 June 2025 (30 June 2024: nil).

(i) Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the year.

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 6 to 26 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 period 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 comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Andrew P Godfrey
Director

Melbourne
24 September 2025

Independent Auditor's Report to the Unit Holders of LSN Emerging Companies Fund

Opinion

We have audited the financial report of LSN Emerging Companies Fund (the "Fund") which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, 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 skepticism 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

Melbourne, 24 September 2025