Merlon Capital Managed Trusts

General Purpose Financial Report

This financial report covers the following Merlon Capital Partners Pty Limited managed Trusts as individual entities:

Merlon Australian Share Core Income Fund - as at date of termination 18 June 2025
ARSN 143 890 920
Merlon Australian Share Income Fund - for the year ended 30 June 2025
ARSN 090 578 171
Merlon Concentrated Australian Share Fund - for the year ended 30 June 2025
ARSN 617 082 238

The Responsible Entity of the above mentioned Trusts is Fidante Partners Limited (ABN 94 002 835 592) (AFSL 234 668).

The registered office of the Responsible Entity is Level 2, 5 Martin Place, Sydney NSW 2000.

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Directors' report

The Directors of Fidante Partners Limited, the Responsible Entity of the below listed Trusts (the Trusts), present their report together with the general purpose financial reports for the Trusts for the year ended 30 June 2025 for Merlon Australian Share Income Fund and Merlon Concentrated Australian Share Fund and the period 1 July 2024 to the date of termination on 18 June 2025 for Merlon Australian Share Core Income Fund.

- Merlon Australian Share Core Income Fund
- Merlon Australian Share Income Fund
- Merlon Concentrated Australian Share Fund

The Trusts are Australian Registered Managed Investment Schemes. Fidante Partners Limited, the Responsible Entity of the Trusts, is incorporated and domiciled in Australia. The registered office of the Responsible Entity is Level 2, 5 Martin Place, Sydney NSW 2000.

Directors

The following persons held office as Directors of Fidante Partners Limited during the period and up to the date of this report, unless otherwise stated:

A Bofinger	Director	
A Judin	Director	
J O'Keeffe	Director	(Resigned 31 January 2025)
E Reedman	Director	(Appointed 31 January 2025)
V Rodriguez	Director	
T Roxburgh	Director	

Principal activities and significant changes in the state of affairs

The Asset Manager of the Trusts is Merlon Capital Partners Pty Limited (the Asset Manager).

Directors' report (continued)

The principal activity of the Trusts during the period was to invest in accordance with the provisions of the Trusts' governing documents. The individual investment strategies of the above mentioned Trusts are:

Trust name	Investment strategy
Merlon Australian Share Core Income Fund	The Trust invests in shares listed on the Australian Securities Exchange, either directly or indirectly through other wholesale unit trusts, and derivatives.
Merlon Australian Share Income Fund	The Trust invests in shares listed on the Australian Securities Exchange, either directly or indirectly through other wholesale unit trusts, and derivatives including futures and options.
Merlon Concentrated Australian Share Fund	The Trust invests in large and mid-cap companies listed on the Australian Securities Exchange, and may invest in derivatives.

On 18 June 2025, the Directors of Fidante Partners Limited determined to terminate the Merlon Australian Share Core Income Fund. The orderly process to sell the Trust's assets and wind-up the Trust commenced on 18 June 2025 in accordance with the Trust's Constitution. The final termination payment was made on 18 June 2025 and the Trust was terminated on 18 June 2025.

During the period, the Trusts' investment administration function transferred from Artega Investment Administration Pty Ltd to State Street Global Advisors.

There were no other significant changes in the nature of the Trusts' activities or to the state of affairs of the Trusts during the period.

Operating and financial review

The results of the operations of the Trusts for the period include the distributions paid and payable on a cents per unit (CPU) basis. The CPU represents the distribution paid by the Trusts to unitholders for each individual unit held in the Trusts.

The table below shows historical discrete annual return performance of the Trusts for the past two years. Performance is calculated after all fees, except any entry fees that have been deducted, and assumes that all distributions were reinvested during that year. The total return is the aggregate of capital growth and distribution of income.

The Indirect Cost Ratio (ICRs) represent the annualised percentage of indirect costs incurred by the Trusts over the Trusts’ average net assets attributable to unitholders for the period.

Directors' report (continued)

The results of the Trusts were as follows:

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
	18 June 2025	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
For the period ended	**$**	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Net profit/(loss) before finance costs for the period attributable to unitholders	389,761	498,171	23,372	35,892	13,727	13,199
Distributions paid and payable	393,700	457,696	21,172	21,215	14,124	17,047

	Merlon Australian Share Core Income Fund Class I		Merlon Australian Share Income Fund Class A		Merlon Australian Share Income Fund Class C		Merlon Australian Share Income Fund Class P	
For the period ended	**18 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
Capital growth (%)	—	0.89	0.49	2.99	1.04	3.70	0.98	3.31
Distribution of income (%)	—	10.06	4.61	4.92	4.31	4.74	4.36	4.85
Total return (%)	**—**	**10.95**	**5.10**	**7.91**	**5.35**	**8.44**	**5.34**	**8.16**
ICR (%)	0.72	0.72	0.95	0.95	0.75	0.75	0.67	0.67
Distributions paid and payable (CPU)	142.61	9.71	5.63	0.01	5.24	5.40	5.77	6.00

	Merlon Australian Share Income Fund Class X		Merlon Concentrated Australian Share Fund Class A		Merlon Concentrated Australian Share Fund Class F		Merlon Concentrated Australian Share Fund Class I	
For the period ended	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
Capital growth (%)	0.93	3.25	1.05	(2.41)	—	(3.14)	0.63	(3.66)
Distribution of income (%)	4.42	4.85	7.93	12.79	—	14.33	8.24	14.25
Total return (%)	**5.35**	**8.10**	**8.98**	**10.38**	**—**	**11.19**	**8.87**	**10.59**
ICR (%)	0.75	0.75	0.52	0.59	—	—	0.51	0.51
Distributions paid and payable (CPU)	5.10	5.25	8.67	14.33	2.03	16.59	9.09	16.38

Directors' report (continued)

	Merlon Concentrated Australian Share Fund Class P	
For the period ended	**30 June 2025**	**30 June 2024**
Capital growth (%)	0.62	(3.19)
Distribution of income (%)	8.32	13.96
Total return (%)	**8.94**	**10.77**
ICR (%)	0.41	0.41
Distributions paid and payable (CPU)	9.75	16.93

The indirect costs can include management fees and other costs as indicated in the Trusts' governing documents. Indirect costs may also include performance fees if permitted by the Trusts' governing documents. These costs are typically deducted from the Trusts' assets rather than paid directly by the unitholders of the Trusts.

The fluctuation in the ICR for each class is a result of performance fees incurred as follows:

		Performance Fees	
For the year ended 30 June		**2025**	**2024**
Trust name	**Class**	**%**	**%**
Merlon Concentrated Australian Share Fund	Class A	0.00	0.07
	Class P	0.00	0.00

Other classes of units not shown above are not subject to performance fees.

Significant events after the balance date

Merlon Australian Share Core Income Fund was terminated on 18 June 2025 and therefore, no matters after this date will impact the Trust's operations.

At the date of this financial report, no matter or circumstance has arisen that has affected, or may significantly affect the Merlon Australian Share Income Fund's and Merlon Concentrated Australian Share Fund's operations, the results of those operations or the Trusts' state of affairs in future financial years, which has not already been reflected in this report.

Directors' report (continued)

Likely developments and expected results

At the time the Directors approved this report, they were not aware of any developments likely to have a significant effect upon the operations or the result of the Merlon Australian Share Income Fund and Merlon Concentrated Australian Share Fund in subsequent financial years, which have not been adequately dealt with in this report or in the financial report.

Merlon Australian Share Income Fund and Merlon Concentrated Australian Share Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trusts and in accordance with the provisions of the Trusts' Constitutions.

Further information on likely developments in the operations of the Merlon Australian Share Income Fund and Merlon Concentrated Australian Share Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trusts.

As the Merlon Australian Share Core Income Fund was terminated on 18 June 2025, there are no likely developments which will impact the expected results after this date.

Indemnification and insurance of directors and officers

No insurance premiums are paid for out of the assets of the Trusts in regards to insurance cover provided to the officers of Fidante Partners Limited. So long as the officers of Fidante Partners Limited act in accordance with the Trusts' Constitutions and the Corporations Act 2001, the officers remain indemnified out of the assets of the Trusts against losses incurred while acting on behalf of the Trusts. The auditors of the Trusts are in no way indemnified out of the assets of the Trusts.

Fees paid to and interests held in the Trusts by the Responsible Entity or its related entities

Fees paid to the Responsible Entity and its related entities out of the Trusts' assets during the period are disclosed in note 12 to the financial statements.

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

Interests in the Trusts held by the Responsible Entity or its related entities as at the end of the financial year are disclosed in note 12 to the financial statements.

Interests in the Trusts

The movement in units on issue in the Trusts during the period is disclosed in note 2 to the financial statements.

Value of Trusts' assets

The value of the Trusts' assets and liabilities are disclosed in the statements of financial position and derived using the basis set out in note 1.2 to the financial statements.

Directors' report (continued)

Environmental regulation and performance

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

Single set of financial reports

The Trusts are entities of the kind referred to in ASIC Corporations (Related Scheme Reports) Instrument 2015/839 issued by the Australian Securities and Investments Commission (ASIC) and in accordance with that Instrument, Trusts with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single financial report.

Rounding of amounts to the nearest thousand dollars

Unless otherwise stated, monetary amounts contained in this report and the financial report have been rounded to the nearest $1,000 under the option available to the Trusts under ASIC Corporations Instrument 2016/191. Where this option is not available, the monetary amounts in this report and the financial report have been rounded to the nearest $1.

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 9.

Authorisation

Signed in accordance with a resolution of the Directors of the Responsible Entity.

A Judin
Director

Sydney
22 September 2025

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Shape the future with confidence

Auditor's independence declaration to the directors of Fidante Partners Limited

For the following Merlon Capital Managed Trusts (the "Trusts"):

- Merlon Australian Share Core Income Fund for the period ended 18 June 2025
- Merlon Australian Share Income Fund for the year ended 30 June 2025
- Merlon Concentrated Australian Share Fund for the year ended 30 June 2025

As lead auditor for the audit of the financial report of the above Trusts for the period end and year end indicated above, I declare to the best of my knowledge and belief, there have been:

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

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

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

Ernst & Young

Ernst & Young

Jim Chuang

Jim Chuang
Partner
22 September 2025

Statements of comprehensive income

For the period ended

		Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
		18 June 2025	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
	Notes	**$**	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Income							
Interest income from financial assets measured at amortised cost		3,768	10,632	751	634	580	234
Dividend income		95,406	179,138	20,118	18,177	5,523	4,375
Distribution income		358	7,086	617	687	250	199
Other operating income		74,732	486	233	97	65	26
Net gains/(losses) on financial instruments at fair value through profit or loss		235,113	340,150	6,631	21,248	8,388	9,358
Total net income		**409,377**	**537,492**	**28,350**	**40,843**	**14,806**	**14,192**
Expenses							
Management fees	12	14,908	32,966	4,191	4,018	816	594
Performance fees	12	—	—	—	—	—	109
Transaction costs		4,135	4,796	643	750	225	245
Other expenses		573	1,559	144	183	38	45
Total expenses		**19,616**	**39,321**	**4,978**	**4,951**	**1,079**	**993**
Net profit/(loss) before finance costs for the period attributable to unitholders		**389,761**	**498,171**	**23,372**	**35,892**	**13,727**	**13,199**

Statements of comprehensive income (continued)

For the period ended

		Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
		18 June 2025	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
	Notes	**$**	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Finance costs attributable to unitholders							
Distributions to unitholders	3	—	—	(21,172)	(21,215)	(14,124)	(17,047)
Movements in net assets attributable to unitholders	2	—	—	(2,200)	(14,677)	397	3,848
Net profit/(loss) after finance costs for the period attributable to unitholders		**389,761**	**498,171**	**—**	**—**	**—**	**—**
Other comprehensive income/(loss) for the period		—	—	—	—	—	—
Total comprehensive income/(loss) for the period attributable to unitholders		**389,761**	**498,171**	**—**	**—**	**—**	**—**

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

Statements of financial position

As at 30 June

		Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
		18 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	Notes	$	$	$'000	$'000	$'000	$'000
Assets							
Cash and cash equivalents	13	—	170,561	5,978	36,408	9,662	6,956
Collateral and margin accounts		—	—	1,283	2,044	—	131
Receivables	4	—	18,032	1,245	1,532	2,088	296
Financial assets at fair value through profit or loss	5	—	4,853,123	451,459	458,802	182,062	126,765
Total assets		**—**	**5,041,716**	**459,965**	**498,786**	**193,812**	**134,148**
Liabilities							
Distributions payable	3	—	348,764	1,721	1,868	10,457	14,609
Payables	8	—	3,176	941	2,420	2,486	58
Financial liabilities at fair value through profit or loss	6	—	—	5,982	3,350	—	—
Total liabilities (excluding net assets attributable to unitholders)		**—**	**351,940**	**8,644**	**7,638**	**12,943**	**14,667**
Net assets attributable to unitholders - Equity	2	**—**	**4,689,776**	**—**	**—**	**—**	**—**
Net assets attributable to unitholders - Liability	2	**—**	**—**	**451,321**	**491,148**	**180,869**	**119,481**

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

Statements of changes in unitholder funds

For the period ended

The following Trusts are single-class or multi-class and respectively classify net assets attributable to unitholders as equity or liability as set out in note 2.

		Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
	Notes	18 June 2025 $	30 June 2024 $	30 June 2025 $'000	30 June 2024 $'000	30 June 2025 $'000	30 June 2024 $'000
Classification of net assets attributable to unitholders as at period ended		**Equity**	**Equity**	**Liability**	**Liability**	**Liability**	**Liability**
As at 1 July - Opening Balance		**4,689,776**	**4,144,046**	**491,148**	**424,613**	**119,481**	**107,710**
Applications for units		274,207	43,362	92,262	135,970	67,038	22,699
Units issued upon reinvestment of distributions		399,059	461,893	2,684	3,785	14,292	8,142
Redemptions of units		(5,359,103)	—	(136,973)	(87,897)	(19,545)	(15,222)
Distributions paid and payable	3	(393,700)	(457,696)	—	—	—	—
Total comprehensive income/(loss) for the period attributable to unitholders - Equity		389,761	498,171	—	—	—	—
Movements in net assets attributable to unitholders - Liability		—	—	2,200	14,677	(397)	(3,848)
As at 18 June and 30 June - Closing Balance	2	**—**	**4,689,776**	**451,321**	**491,148**	**180,869**	**119,481**

The statements of changes in unitholder funds should be read in conjunction with the accompanying notes.

Statements of cash flows

For the period ended

		Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
		18 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	Notes	$	$	$'000	$'000	$'000	$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments at fair value through profit or loss		5,914,980	1,311,800	279,328	194,041	46,054	64,267
Purchase of financial instruments at fair value through profit or loss		(826,744)	(1,566,179)	(263,274)	(221,513)	(92,151)	(72,171)
Dividends received		108,615	178,544	20,007	18,545	5,493	4,454
Interest received		4,530	10,580	825	600	573	225
Distributions received		3,870	4,889	665	341	213	88
Other income received		76,637	2,722	591	368	135	74
Management fees paid		(19,574)	(35,901)	(4,643)	(4,366)	(869)	(644)
Performance fees paid		—	—	—	—	—	(158)
Other expenses paid		(4,574)	(4,797)	(708)	(753)	(249)	(245)
Net cash inflows/(outflows) from operating activities	13	**5,257,740**	**(98,342)**	**32,791**	**(12,737)**	**(40,801)**	**(4,110)**
Cash flows from financing activities							
Proceeds from applications by unitholders		274,207	43,362	92,499	135,873	66,943	22,686
Payments for redemptions by unitholders		(5,359,103)	—	(137,085)	(87,730)	(19,452)	(15,222)
Distributions paid		(343,405)	—	(18,635)	(17,188)	(3,984)	(615)
Net cash inflows/(outflows) from financing activities		**(5,428,301)**	**43,362**	**(63,221)**	**30,955**	**43,507**	**6,849**
Net increase/(decrease) in cash and cash equivalents		**(170,561)**	**(54,980)**	**(30,430)**	**18,218**	**2,706**	**2,739**
Cash and cash equivalents at the beginning of the period		170,561	225,541	36,408	18,190	6,956	4,217
Cash and cash equivalents at the end of the period	13	**—**	**170,561**	**5,978**	**36,408**	**9,662**	**6,956**

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

Notes to the financial statements

1. Basis of preparation and overarching material accounting policies

These financial statements cover the below listed Trusts (the Trusts) as individual entities. The Trusts are Australian registered managed investment schemes and were constituted on the below dates. The Trusts will terminate on the below dates unless terminated earlier in accordance with the provisions of the Trusts' Constitutions:

Trust name	Constitution date	Termination date
Merlon Australian Share Core Income Fund	7 December 2010	7 December 2090
Merlon Australian Share Income Fund	12 November 1999	12 November 2079
Merlon Concentrated Australian Share Fund	4 November 2016	4 November 2096

Merlon Australian Share Core Income Fund terminated on 18 June 2025 in accordance with the provision for the Trust's Constitution.

The financial report of the Trusts for the period ended 18 June 2025 for Merlon Australian Share Core and the year ended 30 June 2025 for the Merlon Australian Share Income Fund and Merlon Concentrated Australian Share Fund was authorised for issue in accordance with a resolution of the Directors on 22 September 2025.

The nature of the operating and principal activities of the Trusts are described in the Directors' report.

1.1. Basis of preparation

Basis of preparation

The 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.

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

As the Merlon Australian Share Core Income Fund terminated on 18 June 2025, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a termination basis. The termination basis means the assets have been written down to the lower of the carrying amounts and net realisable value and liabilities have been recognised to the extent there was a present obligation at the reporting date. The accounting policies set out below have been applied within this context. Adopting the termination basis did not change the carrying amounts of any assets or liabilities

Furthermore, the financial statements have been prepared on a going concern basis as the Merlon Australian Share Income Fund and Merlon Concentrated Australian Share Fund are expected to generate sufficient funds to enable them to pay their debts as and when they fall due.

The Trusts are for-profit entities for the purposes of preparing financial statements.

1. Basis of preparation and overarching material accounting policies (continued)

The statements of financial position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial instruments, and in instances where a Trust treats unitholder funds as a liability, net assets attributable to unitholders. The amounts expected to be recovered or settled beyond twelve months after the end of each reporting period cannot be reliably determined.

Unless stated otherwise, the financial report is presented in Australian dollars and has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

New accounting standards and interpretations

All new accounting standards that are applicable to the Trusts for the respective reporting period have been adopted and do not have a material impact on the financial statements.

There are no new accounting standards and interpretations that have been issued, but not yet effective, that are material to the financial statements or have been early adopted for the respective reporting period.

Foreign currency

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

Transactions in foreign currency are translated into the Trusts'functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into Australian dollars at the foreign exchange rate ruling at the statements of financial position date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the historical exchange rate as at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated to the functional currency using the exchange rate ruling at the date when the fair value was determined.

Comparatives

Where necessary, comparative figures have been reclassified to conform to any changes in presentation made in this financial report.

1. Basis of preparation and overarching material accounting policies (continued)

Rounding of amounts

Unless otherwise stated, monetary amounts contained in this report and the Directors’ report have been rounded to the nearest $1,000 under the option available to the Trusts under Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191. Where this option is not available, the monetary amounts in this report and the directors' report have been rounded to the nearest $1.

Including different registered scheme financial reports in a single document

The registered schemes have applied ASIC’s Corporations Instrument 2015/839, which allows registered schemes with a common, or related, Responsible Entity to include their financial statements in adjacent columns in a single financial report.

1.2. Summary of material accounting policies

Investment income and interest expense

Investment income may include net gains or losses from financial instruments. Where applicable, these net gains include all realised and unrealised fair value changes. Any foreign exchange differences, interest, dividends and distributions are recorded as separate line items in the statements of comprehensive income. Where applicable, interest income and interest expense are recognised using the effective interest method, and dividend and distribution income are recognised when the Trusts' right to receive payment is established.

The Trusts have not applied hedge accounting.

Expenses

Expenses are recognised on an accrual basis at the fair value of the consideration paid or payable for services rendered.

Expenses may include management fees, operation costs and transaction costs. Expenses may also include performance fees if permitted by the Trusts’ governing documents. Expenses are recognised in the statements of comprehensive income.

Taxes

Under the current legislation, the Trusts are not subject to income tax as all assessable income, exempt income and non-assessable income will be attributed to unitholders under the AMIT regime.

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, the portion of the gain that is subject to capital gains tax will be attributed so that the Trusts are not subject to capital gains tax.

Realised capital losses are not attributed to unitholders but are retained in the Trusts to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is attributed to unitholders.

1. Basis of preparation and overarching material accounting policies (continued)

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

The Trusts currently incur withholding tax on investment income imposed by certain countries. Such income is recorded gross of withholding tax in the statements of comprehensive income.

Goods and services (GST)

The Trusts qualify for Reduced Input Tax Credits (RITC) at various applicable rates.

Revenues, expenses and assets are recognised net of the amount of GST, except when the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

Cash and cash equivalents

Cash and cash equivalents are financial assets with fixed or determinable payments and comprise of cash at bank, cash held with custodian and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are recognised at fair value. For the purposes of the statements of cash flows, cash and cash equivalents are stated net of any outstanding bank overdrafts.

Payments and receipts relating to the purchase and sale of investment securities at fair value are classified as cash flows from operating activities, as movements in the fair value of these securities form a part of the Trusts' income generating activity.

Collateral and margin accounts

Collateral and margin accounts represent short term investments which are not held for the purpose of meeting short term cash commitments. They may also include restricted deposits for derivative financial instruments and/or for securities sold short. Margin accounts represent cash deposits held by or due to brokers as collateral against open derivative contracts.

Collateral and margin accounts are measured at amortised cost using the effective interest method less any expected credit losses.

1. Basis of preparation and overarching material accounting policies (continued)

Financial instruments

Classification

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition/derecognition

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

Investments are derecognised when the right to receive cash flows from the investments have expired or the Trusts have transferred substantially all risks and rewards of ownership.

Measurement

At initial recognition, the Trusts measure financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statements of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are presented in the statements of comprehensive income. For further details on how the fair values of financial instruments are determined please refer to note 11.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements 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.

Financial assets at fair value through profit or loss

Financial assets are categorised as financial assets - fair value through profit or loss. The classification depends on the definition and the purpose for which the investments were acquired. The classification of investments is determined at initial recognition and evaluated at each reporting date.

Purchases and sales of financial assets are recognised on the date on which the Trusts commit to purchase or sell the asset. A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Trusts have transferred their rights to receive cash flows from the asset, or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Trusts have:

- Transferred substantially all of the risks and rewards of the asset; or
- Neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

1. Basis of preparation and overarching material accounting policies (continued)

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Trusts include in this category short-term non-financing receivables including cash collateral posted on derivative contracts, accrued income and other receivables.

Financial liabilities at fair value through profit or loss

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

Net assets attributable to unitholders

Units issued by the Trusts are redeemable for cash at the unitholders' option at any time based on the redemption price. The fair value of redeemable units are measured using the redemption unit price at the reporting date if unitholders were to exercise their right to redeem units in the Trusts.

Units are classified as equity when they satisfy the following criteria under AASB 132 Financial Instruments: Presentation (AASB 132):

- the puttable financial instrument entitles the holder to a pro rata share of net assets in the event of the Trusts' 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 Trusts, and it is not a contract settled in the Trusts' 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 and cannot be guaranteed.

As at 18 June 2025 and 30 June 2025, unitholder funds are classified as equity when they satisfy all the criteria under AASB 132 and as a liability when they do not satisfy all the criteria under AASB 132.

Use of estimates

The Trusts may hold financial instruments for which quoted market prices are readily available. The Trusts may also hold certain financial instruments, for example over-the-counter derivatives or unquoted securities, that are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Models are calibrated by back testing to actual transactions to ensure that outputs are reliable.

2. Net assets attributable to unitholders

As stipulated in the Trusts' Constitutions, each unit represents a right to an individual share in the respective Trusts and does not extend to a right to the underlying assets of the Trusts.

The number of separate classes of units in the below listed Trusts are as follows.

Trust	Separate classes of units
Merlon Australian Share Core Income Fund	One
Merlon Australian Share Income Fund	Four
Merlon Concentrated Australian Share Fund	Four

Each unit in the Trust has the same rights, preferences and restrictions attaching to it as all other units of each respective Trust.

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

Income not distributed is included in net assets attributable to unitholders. Where unitholder funds are classified as a liability, movements in net assets attributable to unitholders are recognised in the statements of comprehensive income as finance costs.

Terms and conditions on units

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

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

2. Net assets attributable to unitholders (continued)

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

	Merlon Australian Share Core Income Fund Class I		**Merlon Australian Share Income Fund Class A**		**Merlon Australian Share Income Fund Class C**		**Merlon Australian Share Income Fund Class P**	
Net assets attributable to unitholders	**No.**	**$**	**No. '000**	**$'000**	**No. '000**	**$'000**	**No. '000**	**$'000**
Classification of net assets attributable to unitholders as at 18 June 2025 and 30 June 2025	**Equity**	**Equity**	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**
As at 1 July 2024 - Opening Balance	**4,737,156**	**4,689,776**	**308,405**	**382,550**	**42,983**	**53,000**	**34,130**	**45,893**
Applications for units	266,074	274,207	46,069	57,940	26,865	33,629	359	489
Units issued upon reinvestment of distributions	401,164	399,059	650	816	—	—	1,372	1,868
Redemptions of units	(5,404,394)	(5,359,103)	(92,294)	(115,253)	(7,605)	(9,512)	(5,752)	(7,827)
Distributions paid and payable	—	(393,700)	—	—	—	—	—	—
Total comprehensive income/(loss) for the period attributable to unitholders - Equity	—	389,761	—	—	—	—	—	—
Movements in net assets attributable to unitholders - Liability	—	—	—	1,319	—	364	—	429
As at period end - Closing Balance	**—**	**—**	**262,830**	**327,372**	**62,243**	**77,481**	**30,109**	**40,852**

2. Net assets attributable to unitholders (continued)

	Merlon Australian Share Core Income Fund Class I		Merlon Australian Share Income Fund Class A		Merlon Australian Share Income Fund Class C		Merlon Australian Share Income Fund Class P	
Net assets attributable to unitholders	**No.**	**$**	**No. '000**	**$'000**	**No. '000**	**$'000**	**No. '000**	**$'000**
Classification of net assets attributable to unitholders as at 30 June	**Equity**	**Equity**	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**
As at 1 July 2023 - Opening Balance	**4,224,675**	**4,144,046**	**293,767**	**353,680**	**7,413**	**8,811**	**38,437**	**50,009**
Applications for units	43,805	43,362	74,241	88,805	37,210	45,063	1,339	1,734
Units issued upon reinvestment of distributions	468,676	461,893	1,310	1,577	—	—	1,697	2,208
Redemptions of units	—	—	(60,913)	(73,279)	(1,640)	(1,956)	(7,343)	(9,554)
Distributions paid and payable	—	(457,696)	—	—	—	—	—	—
Total comprehensive income/(loss) for the year attributable to unitholders - Equity	—	498,171	—	—	—	—	—	—
Movements in net assets attributable to unitholders - Liability	—	—	—	11,767	—	1,082	—	1,496
As at 30 June 2024 - Closing Balance	**4,737,156**	**4,689,776**	**308,405**	**382,550**	**42,983**	**53,000**	**34,130**	**45,893**

2. Net assets attributable to unitholders (continued)

	Merlon Australian Share Income Fund Class X		Merlon Concentrated Australian Share Fund Class A		Merlon Concentrated Australian Share Fund Class F		Merlon Concentrated Australian Share Fund Class I	
Net assets attributable to unitholders	**No. '000**	**$'000**	**No. '000**	**$'000**	**No. '000**	**$'000**	**No. '000**	**$'000**
Classification of net assets attributable to unitholders as at 30 June	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**
As at 1 July 2024 - Opening Balance	**8,259**	**9,705**	**24,432**	**26,976**	**4,080**	**4,633**	**74,830**	**83,593**
Applications for units	171	204	21,162	24,290	1,677	1,963	34,443	39,785
Units issued upon reinvestment of distributions	—	—	346	384	592	676	11,305	12,701
Redemptions of units	(3,690)	(4,381)	(7,455)	(8,543)	(6,349)	(7,580)	(2,944)	(3,422)
Movements in net assets attributable to unitholders - Liability	—	88	—	(201)	—	308	—	(507)
As at period end - Closing Balance	**4,740**	**5,616**	**38,485**	**42,906**	**—**	**—**	**117,634**	**132,150**
Classification of net assets attributable to unitholders as at 30 June	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**	**Liability**
As at 1 July 2023 - Opening Balance	**10,647**	**12,113**	**6,033**	**6,823**	**3,928**	**4,602**	**78,267**	**90,711**
Applications for units	324	368	19,370	22,403	245	276	17	20
Units issued upon reinvestment of distributions	—	—	124	142	321	379	6,318	7,355
Redemptions of units	(2,712)	(3,108)	(1,095)	(1,254)	(414)	(500)	(9,772)	(12,000)
Movements in net assets attributable to unitholders - Liability	—	332	—	(1,138)	—	(124)	—	(2,493)
As at 30 June 2024 - Closing Balance	**8,259**	**9,705**	**24,432**	**26,976**	**4,080**	**4,633**	**74,830**	**83,593**

2. Net assets attributable to unitholders (continued)

	Merlon Concentrated Australian Share Fund Class P	
Net assets attributable to unitholders	**No. '000**	**$'000**
Classifications of net assets attributable to unitholders as at 30 June	**Liability**	**Liability**
As at 1 July 2024 - Opening Balance	**3,605**	**4,279**
Applications for units	821	1,000
Units issued upon reinvestment of distributions	444	531
Redemptions of units	—	—
Movements in net assets attributable to unitholders - Liability	—	3
As at period end - Closing Balance	**4,870**	**5,813**
Classifications of net assets attributable to unitholders as at 30 June	**Liability**	**Liability**
As at 1 July 2023 - Opening Balance	**4,548**	**5,574**
Applications for units	—	—
Units issued upon reinvestment of distributions	216	266
Redemptions of units	(1,159)	(1,468)
Movements in net assets attributable to unitholders - Liability	—	(93)
As at 30 June 2024 - Closing Balance	**3,605**	**4,279**

Merlon Australia Share Core Income Fund was terminated on 18 June 2025.

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
	18 June 2025	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
	$	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Total net assets attributable to unitholders	**—**	**4,689,776**	**451,321**	**491,148**	**180,869**	**119,481**

2. Net assets attributable to unitholders (continued)

Capital risk management

The Trusts consider their unitholder funds as capital. The amount of unitholder funds can change significantly as the Trusts are subject to applications and redemptions at the discretion of unitholders. Applications and redemptions are reviewed relative to the liquidity of the Trusts' underlying assets by the Responsible Entity. Under the terms of the Trusts' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

Net realised capital losses

At the end of the reporting period, the Trusts had net realised capital losses available to offset against future net realised capital gains. Net realised capital losses are not finalised for taxation purposes, and may change due to calculation adjustment, denial, offset or recoupment and are as follows:

As at 30 June	**2025**	**2024**
Net realised capital losses	**$**	**$**
Merlon Australian Share Income Fund	—	34,966,909
Merlon Concentrated Australian Share Fund	—	4,917,812

Trusts not mentioned above do not have net realised capital losses.

3. Distributions to unitholders

In accordance with the Trusts' Constitutions, the Trusts distribute income adjusted for amounts determined by the Responsible Entity to unitholders by cash or reinvestment. Where unitholder funds are classified as a liability, these distributions are recognised in the statements of comprehensive income as finance costs. Where unitholder funds are classified as equity, these distributions are recognised in the statements of changes in unitholder funds.

The distributions for the period are presented below in dollars ($'000 or $) and cents per unit (CPU) for each class.

3. Distributions to unitholders (continued)

	Merlon Australian Share Core Income Fund Class I		Merlon Australian Share Income Fund Class A		Merlon Australian Share Income Fund Class C		Merlon Australian Share Income Fund Class P	
	$	CPU	$'000	CPU	$'000	CPU	$'000	CPU
Distributions								
Distributions paid - July 2024	—	—	1,439	0.47	201	0.43	159	0.47
Distributions paid - August 2024	—	—	1,442	0.47	214	0.43	157	0.47
Distributions paid - September 2024	50,294	0.99	1,432	0.47	235	0.43	156	0.47
Distributions paid - October 2024	—	—	1,429	0.47	244	0.43	153	0.47
Distributions paid - November 2024	—	—	1,321	0.47	245	0.43	151	0.47
Distributions paid - December 2024	—	—	1,316	0.47	250	0.43	150	0.47
Distributions paid - January 2025	—	—	1,316	0.47	254	0.43	149	0.47
Distributions paid - February 2025	—	—	1,316	0.47	259	0.43	148	0.47
Distributions paid - March 2025	—	—	1,299	0.47	262	0.43	148	0.47
Distributions paid - April 2025	—	—	1,258	0.47	269	0.43	146	0.47
Distributions paid - May 2025	—	—	1,245	0.47	264	0.43	143	0.47
Special distributions paid - 11 June 2025	343,406	141.62	—	—	—	—	—	—
Distributions payable - June 2025	—	—	1,198	0.46	315	0.51	180	0.60
Total distributions - 18 June 2025 and 30 June 2025	**393,700**	**142.61**	**16,011**	**5.63**	**3,012**	**5.24**	**1,840**	**5.77**

3. Distributions to unitholders (continued)

	Merlon Australian Share Core Income Fund Class I		Merlon Australian Share Income Fund Class A		Merlon Australian Share Income Fund Class C		Merlon Australian Share Income Fund Class P	
	$	CPU	$'000	CPU	$'000	CPU	$'000	CPU
Distributions								
Distributions paid - July 2023	—	—	1,388	0.47	36	0.45	188	0.49
Distributions paid - August 2023	—	—	1,403	0.47	53	0.45	187	0.49
Distributions paid - September 2023	43,986	0.96	1,414	0.47	57	0.45	187	0.49
Distributions paid - October 2023	—	—	1,462	0.47	65	0.45	187	0.49
Distributions paid - November 2023	—	—	1,456	0.47	75	0.45	185	0.49
Distributions paid - December 2023	35,922	0.77	1,465	0.47	86	0.45	181	0.49
Distributions paid - January 2024	—	—	1,469	0.47	93	0.45	180	0.49
Distributions paid - February 2024	—	—	1,464	0.47	105	0.45	175	0.49
Distributions paid - March 2024	29,024	0.62	1,458	0.47	116	0.45	175	0.49
Distributions paid - April 2024	—	—	1,453	0.47	167	0.45	173	0.49
Distributions paid - May 2024	—	—	1,452	0.47	177	0.45	170	0.49
Distributions payable - June 2024	348,764	7.36	1,422	0.46	195	0.45	208	0.61
Total distributions - 30 June 2024	**—**	**—**	**17,306**	**5.63**	**1,225**	**5.40**	**2,196**	**6.00**

3. Distributions to unitholders (continued)

	Merlon Australian Share Income Fund Class X		Merlon Concentrated Australian Share Fund Class A		Merlon Concentrated Australian Share Fund Class F		Merlon Concentrated Australian Share Fund Class I	
	$'000	CPU	$'000	CPU	$'000	CPU	$'000	CPU
Distributions								
Distributions paid - July 2024	33	0.41	—	—	—	—	—	—
Distributions paid - August 2024	32	0.41	—	—	—	—	—	—
Distributions paid - September 2024	29	0.41	298	1.03	65	1.24	1,055	1.07
Distributions paid - October 2024	27	0.41	—	—	—	—	—	—
Distributions paid - November 2024	26	0.41	—	—	—	—	—	—
Distributions paid - December 2024	24	0.41	214	0.66	49	0.79	693	0.69
Distributions paid - January 2025	23	0.41	—	—	—	—	—	—
Distributions paid - February 2025	23	0.41	—	—	—	—	—	—
Distributions paid - March 2025	22	0.41	275	0.78	—	—	886	0.76
Distributions paid - April 2025	21	0.41	—	—	—	—	—	—
Distributions paid - May 2025	21	0.41	—	—	—	—	—	—
Distributions payable - June 2025	28	0.59	2,387	6.20	—	—	7,729	6.57
Total distributions - 18 June 2025 and 30 June 2025	**309**	**5.10**	**3,174**	**8.67**	**114**	**2.03**	**10,363**	**9.09**

3. Distributions to unitholders (continued)

	Merlon Australian Share Income Fund Class X		Merlon Concentrated Australian Share Fund Class A		Merlon Concentrated Australian Share Fund Class F		Merlon Concentrated Australian Share Fund Class I	
	$'000	**CPU**	**$'000**	**CPU**	**$'000**	**CPU**	**$'000**	**CPU**
Distributions								
Distributions paid - July 2023	44	0.43	—	—	—	—	—	—
Distributions paid - August 2023	43	0.43	—	—	—	—	—	—
Distributions paid - September 2023	42	0.43	60	0.70	38	0.98	667	0.80
Distributions paid - October 2023	42	0.43	—	—	—	—	—	—
Distributions paid - November 2023	41	0.43	—	—	—	—	—	—
Distributions paid - December 2023	41	0.43	97	0.75	42	1.05	754	0.90
Distributions paid - January 2024	40	0.43	—	—	—	—	—	—
Distributions paid - February 2024	39	0.43	—	—	—	—	—	—
Distributions paid - March 2024	38	0.43	104	0.52	32	0.78	526	0.63
Distributions paid - April 2024	38	0.43	—	—	—	—	—	—
Distributions paid - May 2024	37	0.43	—	—	—	—	—	—
Distributions payable - June 2024	43	0.52	3,021	12.36	562	13.78	10,512	14.05
Total distributions - 30 June 2024	**488**	**5.25**	**3,282**	**14.33**	**674**	**16.59**	**12,459**	**16.38**

3. Distributions to unitholders (continued)

	Merlon Concentrated Australian Share Fund Class P	
	$'000	CPU
Distributions		
Distributions paid - September 2024	51	1.07
Distributions paid - December 2024	37	0.77
Distributions paid - March 2025	44	0.91
Distributions payable - June 2025	341	7.00
Total distributions - 18 June 2025 and 30 June 2025	**473**	**9.75**
Distributions paid - September 2023	42	0.88
Distributions paid - January 2024	47	0.98
Distributions paid - April 2024	29	0.80
Total distributions - June 2024	514	14.27
Total distributions - 30 June 2024	**632**	**16.93**

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
	18 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	$	$	$'000	$'000	$'000	$'000
Total distributions paid and payable	**393,700**	**457,696**	**21,172**	**21,215**	**14,124**	**17,047**

The component of the final distribution for the period which was unpaid at the reporting date is shown in the statements of financial position.

The final termination payment for Merlin Australia Share Core Income Fund was made on 18 June 2025 and the Trust was terminated on 18 June 2025.

4. Receivables

Receivables may include GST RITC, application monies, interest, dividends, trust distributions and other income accrued and unsettled trade purchases. They are recognised when the right to receive payment is established and are generally recovered within 30 days. The Trusts measure expected credit losses on a 12-month basis. Given the nature of the Trusts' receivables and the limited exposure of the Trusts to credit risk, no material expected credit losses have been recognised.

4. Receivables (continued)

Amounts recoverable from related entities have no fixed repayment term and are non-interest-bearing.

All receivables are considered current.

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
As at	**18 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
	$	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Application for units receivable	—	—	185	422	150	55
Distributions receivable	—	3,512	298	346	148	111
Dividends receivable	—	13,258	665	567	115	93
GST receivable	—	500	84	88	20	15
Interest receivable	—	762	13	87	29	22
Outstanding trade settlements	—	—	—	22	1,626	—
Total receivables	**—**	**18,032**	**1,245**	**1,532**	**2,088**	**296**

5. Financial assets at fair value through profit or loss

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
As at	**18 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
	$	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Equity securities						
Equity securities	—	4,735,256	439,604	448,004	176,609	123,385
Listed unit trusts	—	117,867	11,031	10,506	5,453	3,380
Total equity securities	**—**	**4,853,123**	**450,635**	**458,510**	**182,062**	**126,765**
Derivatives						
Over-the-counter options	—	—	824	292	—	—
Total derivatives	**—**	**—**	**824**	**292**	**—**	**—**
Total financial assets at fair value through profit or loss	**—**	**4,853,123**	**451,459**	**458,802**	**182,062**	**126,765**

5. Financial assets at fair value through profit or loss (continued)

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in notes 10 and 11 respectively.

6. Financial liabilities at fair value through profit or loss

	Merlon Australian Share Income Fund	
As at	**30 June 2025**	**30 June 2024**
	$'000	**$'000**
Derivatives		
Over-the-counter options	5,982	3,350
Total derivatives	**5,982**	**3,350**
Total financial liabilities at fair value through profit or loss	**5,982**	**3,350**

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in notes 10 and 11 respectively.

7. Derivative financial instruments

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

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

Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Trusts' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Trusts against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategies, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.While derivatives are used for trading purposes, they are not used to gear a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Trusts.

7. Derivative financial instruments (continued)

The Trusts hold the following derivative instruments:

Options

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

Refer to notes 5 and 6 for further information on derivative assets and liabilities.

An overview of the risk exposures and fair value measurements relating to derivative financial instruments are included in notes 10 and 11 respectively.

8. Payables

Payables represent unsecured non-derivative, non-interest-bearing financial liabilities in respect of goods and services provided to the Trusts prior to the end of the financial period. Payables may include redemptions payable, accrued expenses and unsettled purchases of financial instruments which are unpaid by the Trusts at the reporting date. Amounts are generally paid within 30 days.

Amounts payable to related entities have no fixed repayment term and are non-interest-bearing.

All payables are considered current.

		Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
As at		**18 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
	Notes	**$**	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Amounts owing to the Responsible Entity	12	—	3,176	357	389	86	58
Outstanding trade settlements		—	—	130	1,465	2,307	—
Redemptions of units payable		—	—	454	566	93	—
Total payables		**—**	**3,176**	**941**	**2,420**	**2,486**	**58**

9. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statements 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 18 June 2025 and 30 June 2025 there are no financial assets and financial liabilities that have been offset in the statements of financial position (2024: $Nil). As at 18 June 2025 and 30 June 2025, the Trusts have no netting arrangements which, if applied, would have a material impact on the disclosure of financial assets and liabilities.

10. Financial risk management

Overview

The Trusts activities can expose the Trusts to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Trusts' overall risk management program focuses on ensuring compliance with the Trusts' governing documents and seeks to maximise the returns derived for the level of risk to which the Trusts are exposed. The Trusts may use derivative financial instruments to alter certain risk exposures. The Responsible Entity is responsible for identifying the financial risks that arise from these financial instruments and for ensuring there are mechanisms in place to manage these risks.

The allocation of assets between the various types of financial instruments are determined by the Trusts' Asset Manager who manages the Trusts' assets to achieve the Trusts' investment objectives.

Divergence from target allocations and the composition of the assets are monitored on a regular basis.

The Responsible Entity has a Risk Management Strategy in place for managing risk and the key elements of the Risk Management Framework (RMF). The risks covered by the RMF include, but are not limited to, financial risks, for example: market, investment, pricing risks, funding, liquidity and counterparty risk; as well as regulatory, strategic and operational risks. The key elements for managing these risks include:

- Documented policies and procedures;
- Post trade investment compliance monitoring by teams not involved in the dealing and investment management activity;
- Segregation of the dealing and investment management function from the investment administration and settlement function;
- Independently sourced valuations for securities;
- A risk and compliance team and Responsible Entity management team with separate reporting lines;
- Clearly defined reporting lines and accountability for managing risks;
- Clearly defined responsibility for maintaining the RMF and monitoring compliance with it; and
- Oversight of risk management activity and the risk profile of the business by the Board of the Responsible Entity and various risk and compliance and committees that the Responsibility Entity, and its ultimate parent, have established.

As part of its Risk Management Strategy, the Trusts may use derivatives including exchange traded derivatives, to manage exposures resulting from changes in index prices, equity risks and exposures arising from forecast transactions.

10. Financial risk management (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk includes (amongst others) three types of risk: interest rate risk (due to fluctuations in interest rates), currency risk (due to fluctuations in foreign exchange rates), and equity price risk (due to fluctuations in market prices).

The Trusts are exposed to market risks influencing investment valuations. The Trusts may utilise derivatives to manage this risk.

Price risk

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The summarised sensitivity analysis section below sets out how this component of price risk is managed and measured. Investments are classified in the statements of financial position at fair value through profit or loss.

As the majority of the Trusts' investments are carried at fair value with fair value changes through profit or loss, changes in market conditions will directly affect net investment income.

The Asset Manager mitigates this price risk through diversification and a rigorous selection of securities and other financial instruments within specified limits as disclosed in the Trusts' governing documents. Price risk mainly arises from the possible change in the fair value of the Trusts' equity holdings. Price risk sensitivity on the Trusts' equity holdings is disclosed in the summarised sensitivity analysis section of this note. The analysis assumes the price of these investments increased/ decreased by 10% (2024: 10%).

Daily monitoring of trade restrictions and derivative exposure against limits is undertaken with any breach of these limit restrictions reported in accordance with the RMF.

Foreign exchange risk

Trusts that invest in international assets are exposed to foreign exchange risk. Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Asset Manager may enter into derivatives contracts (such as forwards, swaps, options and futures) through approved foreign exchange dealers to minimise risk. However, the use of these contracts must be consistent with the investment strategies and restrictions of the Trusts, and agreed acceptable level of foreign exchange risk.

The Trusts hold no direct investment in international assets hence foreign exchange risk is not considered to be a significant risk to the Trusts.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Merlon Australian Share Income Fund has established limits on the total interest rate exposure, which are monitored on a daily basis. The Trust may use derivatives to hedge unexpected increases in interest rates.

10. Financial risk management (continued)

The summarised sensitivity analysis section of this note demonstrates the sensitivity of the Trusts' net profit to possible changes in interest rates, with all other variables held constant. The analysis is based on the assumptions that interest rates increased by 100 bps (2024: 100 bps) or decreased by 100 bps (2024: 100 bps).

The sensitivity of the statements of comprehensive income is the effect of the assumed changes in interest rates on:

- the interest income for one period, based on the floating rate financial assets held at 18 June 2025 and 30 June 2025; and
- changes in the fair value of investments for the period based on revaluing fixed rate financial assets at 18 June 2025 and 30 June 2025.

Summarised sensitivity analysis

The following table summarises the sensitivity of the Trusts’ net profit and net assets attributable to unitholders to applicable market risks. The possible movements in the risk variables have been determined based on management’s best estimate, having regard to a number of factors, including historical levels of changes in interest rates, foreign exchange rates and market prices. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Trusts invest. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

Merlon Australian Share Core Income Fund

	Impact on net profit/Net assets attributable to unitholders	
	Price risk	
	-10%	+10%
	A$	A$
18 June 2025	**—**	**—**
30 June 2024	(485,650)	485,650

Merlon Australian Share Income Fund

	Impact on net profit/Net assets attributable to unitholders			
	Price risk		Interest rate risk	
	-10%	+10%	-100bps	+100bps
	A$'000	A$'000	A$'000	A$'000
30 June 2025	**(45,063)**	**45,063**	**—**	**—**
30 June 2024	(45,898)	45,898	—	—

10. Financial risk management (continued)

Merlon Concentrated Australian Share Fund

	Impact on net profit/Net assets attributable to unitholders	
	Price risk	
	-10%	+10%
	A$'000	A$'000
30 June 2025	**(18,206)**	**18,206**
30 June 2024	(12,691)	12,691

Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge an obligation. The Trusts aim to ensure that at all times they have appropriate credit risk management policies and practices in place and that the Board and senior management are appropriately informed of the Trusts' credit risks.

Credit risk is not considered to be a significant risk to the Trusts as the Trusts do not hold any direct investments in debt securities or have significant receivables.

Liquidity risk

Liquidity risk is the risk that the Trusts will encounter difficulty in raising funds to meet cash commitments associated with financial instruments. This may result from either the inability to sell financial assets at their fair values, a counterparty failing on repayment of a contractual obligation, or the inability to generate cash inflows as anticipated.

The Trusts aim to ensure that they have sufficient liquidity to meet their obligations on a short term, medium term and long term basis. In the current and preceding period, all payables have no fixed repayment term. The current balance of amounts payable to related entities will be repaid in full within 1 year of the reporting date.

The Trusts’ governing documents allow for redemptions of units. The Trusts are therefore exposed to a liquidity risk of meeting unitholders’ redemptions at any time.

This risk is controlled through the Trusts’ investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Trusts maintain sufficient cash and cash equivalents to meet normal operating requirements.

The Trusts' investments are considered to be readily realisable.

The investment management process includes the consideration of liquidity, both in terms of market quality and cash flow. In asset construction, securities/investments (including derivatives) are only purchased that meet investment criteria and this includes the assessment of saleability in different market conditions. Before entering into a transaction, consideration is given to (not limited to):

- whether the purpose of the investment is consistent with the investment strategies of the Trusts;

10. Financial risk management (continued)

- the ease of selling the security should market conditions change unfavourably;
- whether there are sufficient assets to cover the underlying liabilities of that transaction; and
- the overall liquidity levels for the Trusts.

Under the terms of the Constitutions, the Trusts have the ability to manage liquidity risk by delaying redemptions to unitholders, if necessary, until the funds are available to pay them.

Maturity analysis for financial liabilities

Financial liabilities of the Trusts comprise trade and other payables, distributions payable, collateral and margin accounts and net assets attributable to unitholders. Trade and other payables, distributions payable and collateral and margin accounts have no contractual maturities but are typically settled within 30 days.

The table below analyses the Trusts' derivative financial liabilities based on their contractual maturity. The Trusts may, at their discretion, settle derivative financial liabilities prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the derivative instruments.

Merlon Australian Share Income Fund

30 June 2025

	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	Beyond 12 months $'000	Total $'000
Over-the-counter options	5,982	—	—	—	5,982
Total derivative financial liabilities	**5,982**	**—**	**—**	**—**	**5,982**

30 June 2024

	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	Beyond 12 months $'000	Total $'000
Over-the-counter options	3,350	—	—	—	3,350
Total derivative financial liabilities	**3,350**	**—**	**—**	**—**	**3,350**

11. Fair value measurement

Fair value measurements disclosures are not relevant to the Merlon Australia Share Core Income Fund as at 18 June 2025 as the Trust held no financial assets or financial liabilities at that date. The following disclosures are relevant to the comparative period and also to Merlon Australia Share Income Fund and Merlon Concentrated Australian Share Fund.

11. Fair value measurement (continued)

All financial assets and financial liabilities included in the statements of financial position are carried at fair value.

In accordance with AASB 13 Fair Value Measurement the Trusts are required to disclose fair value measurements by level using the fair value hierarchy. The fair value hierarchy has the following levels:

- 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Fair value in an active market (level 1)

The fair values of financial assets and liabilities traded in active markets are based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices at the reporting date, while financial liabilities are priced at current offer prices.

The quoted market price used for financial assets held by the Trusts is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Trusts hold derivatives with offsetting market risks, they use mid-market prices as a basis for establishing fair value for the offsetting risk positions and apply this bid or asking price to the net open position, as appropriate.

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

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

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

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

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such trusts.

The tables below set out the Trusts' financial assets and liabilities measured at fair value through profit or loss according to the fair value hierarchy.

11. Fair value measurement (continued)

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
As at	**18 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
Financial assets	**$**	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Level 1 financial assets						
Equity securities	—	4,735,256	439,604	448,004	176,609	123,385
Listed unit trusts	—	117,867	11,031	10,506	5,453	3,380
Total level 1 financial assets	**—**	**4,853,123**	**450,635**	**458,510**	**182,062**	**126,765**
Level 2 financial assets						
Over-the-counter options	—	—	824	292	—	—
Unlisted unit trusts	—	—	—	—	—	—
Total level 2 financial assets	**—**	**—**	**824**	**292**	**—**	**—**

	Merlon Australian Share Income Fund	
As at 30 June	**30 June 2025**	**30 June 2024**
Financial liabilities	**$'000**	**$'000**
Level 2 financial liabilities		
Over-the-counter options	5,982	3,350
Total level 2 financial liabilities	**5,982**	**3,350**

12. Related party transactions

Responsible Entity

The Responsible Entity of the Trusts is Fidante Partners Limited whose immediate parent company is Challenger Funds Management Holdings Pty Limited and ultimate parent company is Challenger Limited.

12. Related party transactions (continued)

Key management personnel

Directors

Key management personnel includes persons who were Directors of Fidante Partners Limited at any time during the financial period and up to the date of the report as follows:

A Bofinger	Director	
A Judin	Director	
J O'Keeffe	Director	(Resigned 31 January 2025)
E Reedman	Director	(Appointed 31 January 2025)
V Rodriguez	Director	
T Roxburgh	Director	

Other key management personnel

The Responsible Entity is considered to be the key management personnel with authority for the strategic direction and management of the Trusts.

The Asset Manager, Merlon Capital Partners Pty Limited, is a related party to the Trusts as it is a member of the same group as the Responsible Entity.

Key management personnel unitholdings

At 18 June 2025 and 30 June 2025 no key management personnel held units in Trusts (2024: Nil).

Key management personnel compensation

No amount was paid by the Trusts directly to the Directors of the Responsible Entity.

Compensation is paid to the Responsible Entity in the form of fees and is disclosed below.

12. Related party transactions (continued)

Responsible Entity's fees and other transactions

Under the terms of the Trusts' Constitutions the Responsible Entity is entitled to receive management fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders). For the period ended 18 June 2025 and the year ended 30 June 2025 these rates are as follows:

		Fee Rate	
For the period ended		**2025**	**2024**
Trust name	**Class**	**%**	**%**
Merlon Australian Share Core Income Fund	Class I	0.72	0.72
Merlon Australian Share Income Fund	Class A	0.95	0.95
	Class C	0.75	0.75
	Class P	0.67	0.67
	Class X	0.75	0.75
Merlon Concentrated Australian Share Fund	Class A	0.52	0.52
	Class F	0.00	0.00
	Class I	0.51	0.51
	Class P	0.41	0.41

These fees are inclusive of GST, net of RITC available to the Trusts per annum.

In addition to the management fee, the Responsible Entity is also entitled to receive performance fees for various classes in the Trusts. The performance fees are calculated at the below listed benchmark. For the period ended 18 June 2025 and the year ended 30 June 2025, in accordance with the Trusts’ Constitutions, the Responsible Entity received performance fees as listed below (inclusive of GST, net of RITC, available to the Trusts) per annum.

12. Related party transactions (continued)

For the period ended			Performance Fees	
			2025	2024
Trust name	Benchmark	Class	%	%
Merlon Concentrated Australian Share Fund	20% of the Trust's daily return (after fees and expenses, inclusive of franking credits and after adding back distributions paid) above the performance benchmark, being the S&P/ASX200 Accumulation Index (inclusive of franking credits).	Class A	0.00	0.07
	20.5% of the Trust's daily return (after fees and expenses, inclusive of franking credits and after adding back distributions paid) above the performance benchmark, being the S&P/ASX200 Accumulation Index (inclusive of franking credits).	Class P	0.00	0.00

Other classes of units not shown above are not subject to performance fees.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the period and amounts payable at period end between the Trusts and the Responsible Entity were as follows:

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
For the period ended	18 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	$	$	$	$	$	$
Management fees for the period	14,908	32,966	4,191,399	4,018,225	816,320	594,263
Performance fees for the period	—	—	—	—	—	108,759
Management fees payable	—	3,176	356,702	388,926	86,180	57,664

12. Related party transactions (continued)

Related party unitholdings

Parties related to the Trusts (including Fidante Partners Limited, its related parties and other schemes managed by Fidante Partners Limited), held units in the Trusts as follows:

Merlon Australian Share Core Income Fund

For the period ended 18 June 2025

Unitholder	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)	Interest held (%)	Distributions paid/payable by the Trust ($)
Merlon Capital Partners Pty Limited	18	1	(19)	—	—	—
Challenger Life Company Limited	4,737,138	424,754	(5,161,892)	—	—	—
Total related party unitholdings	**4,737,156**	**424,755**	**(5,161,911)**	**—**	**—**	**—**

For the year ended 30 June 2024

Unitholder	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)	Interest held (%)	Distributions paid/payable by the Trust ($)
Merlon Capital Partners Pty Limited	16	2	—	18	—	2
Challenger Life Company Limited	4,224,659	512,479	—	4,737,138	100.00	457,695
Total related party unitholdings	**4,224,675**	**512,481**	**—**	**4,737,156**	**100.00**	**457,697**

12. Related party transactions (continued)

Merlon Australian Share Income Fund

For the year ended 30 June 2025

Unitholder	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)	Interest held (%)	Distributions paid/payable by the Trust ($)
Merlon Australian Equity Income Fund	10,247,573	186,969	(10,434,542)	—	—	234,858
MCP Australian Share Income Fund	11,652,618	216,048	(11,868,666)	—	—	271,380
Merlon Capital Partners Pty Limited	23	—	(23)	—	—	—
Total related party unitholdings	**21,900,214**	**403,017**	**(22,303,231)**	**—**	**—**	**506,238**

For the year ended 30 June 2024

Unitholder	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)	Interest held (%)	Distributions paid/payable by the Trust ($)
Merlon Australian Equity Income Fund	11,005,015	514,849	(1,272,291)	10,247,573	2.60	597,089
MCP Australian Share Income Fund	11,879,272	571,949	(798,603)	11,652,618	2.96	661,717
Merlon Capital Partners Pty Limited	22	1	—	23	—	—
Total related party unitholdings	**22,884,309**	**1,086,799**	**(2,070,894)**	**21,900,214**	**5.56**	**1,258,806**

Merlon Concentrated Australian Share Fund

For the year ended 30 June 2025

Unitholder	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)	Interest held (%)	Distributions paid/payable by the Trust ($)
Merlon Capital Partners Pty Limited	13,295	1,707	(15,002)	—	—	1,894
Total related party unitholdings	**13,295**	**1,707**	**(15,002)**	**—**	**—**	**1,894**

12. Related party transactions (continued)

Merlon Concentrated Australian Share Fund
For the year ended 30 June 2024

Unitholder	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)	Interest held (%)	Distributions paid/payable by the Trust ($)
Merlon Capital Partners Pty Limited	12,470	825	—	13,295	0.01	937
Total related party unitholdings	**12,470**	**825**	**—**	**13,295**	**0.01**	**937**

No other related parties to the Trusts held units at period end.

13. Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities

Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
For the period ended	**18 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
	$	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Reconciliation of profit/(loss) to operating cash flow						
Net profit/(loss) before finance costs for the period attributable to unitholders	389,761	498,171	23,372	35,892	13,727	13,199
Net (gains)/losses on financial instruments at fair value through profit or loss	(235,113)	(340,150)	(6,631)	(21,248)	(8,388)	(9,358)
Proceeds from sale of financial instruments at fair value through profit or loss	5,914,980	1,311,800	279,328	194,041	46,054	64,267
Purchase of financial instruments at fair value through profit or loss	(826,744)	(1,566,179)	(263,274)	(221,513)	(92,151)	(72,171)
Net change in receivables and other assets	18,032	(2,345)	28	37	(71)	(19)
Net change in payables and other liabilities	(3,176)	361	(32)	54	28	(28)
Net cash inflows/(outflows) from operating activities	**5,257,740**	**(98,342)**	**32,791**	**(12,737)**	**(40,801)**	**(4,110)**

13. Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities (continued)

Components of cash and cash equivalents

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
As at	**18 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
	$	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Cash at bank, on hand and at custodian	—	170,561	5,978	36,408	9,662	6,956
Total cash and cash equivalents	**—**	**170,561**	**5,978**	**36,408**	**9,662**	**6,956**

Non-cash investing and financing activities

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
For the period ended	**18 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
	$	**$**	**$'000**	**$'000**	**$'000**	**$'000**
Reinvestment of unitholder distributions	399,059	461,893	2,684	3,785	14,292	8,142
Participation in dividend and distribution reinvestment plans	—	—	—	—	—	—

14. Remuneration of auditor

	Merlon Australian Share Core Income Fund		Merlon Australian Share Income Fund		Merlon Concentrated Australian Share Fund	
For the period ended	**18 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**	**30 June 2025**	**30 June 2024**
Amounts received or due and receivable by Ernst & Young for:	**$**	**$**	**$**	**$**	**$**	**$**
Audit and review of the financial report of the Trusts	8,195	7,995	8,195	7,995	8,195	7,995
Total remuneration of auditor	**8,195**	**7,995**	**8,195**	**7,995**	**8,195**	**7,995**

The cost incurred for auditing the financial report of the Trusts is paid directly by the Responsible Entity.

15. Events occurring after the reporting period

No significant events have occurred since the reporting date which would impact on the financial position of the Trusts as at 18 June 2025 and 30 June 2025 or on the results and cash flows of the Trusts for the period ended on that date.

16. Contingent assets and liabilities and commitments

At balance date the Trusts have no contingent assets, liabilities or commitments (30 June 2024: Nil).

Directors' declaration

In the opinion of the Directors of the Responsible Entity for the below listed Trusts:

- Merlon Australian Share Core Income Fund
- Merlon Australian Share Income Fund
- Merlon Concentrated Australian Share Fund

a. the financial statements and notes set out on pages 10 to 49 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 Trusts' financial position as at 18 June 2025 and 30 June 2025 and of their performance for the financial period ended on that date;

b. the financial statements and notes comply with International Financial Reporting Standards as disclosed in note 1.1; and

c. there are reasonable grounds to believe that the Trusts will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.

On behalf of the Board of Fidante Partners Limited.

A Judin
Director

Sydney
22 September 2025

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Independent auditor's report

To the unitholders of the following Merlon Capital Managed Trusts (the "Trusts")

- Merlon Australian Share Core Income Fund for the period ended 18 June 2025
- Merlon Australian Share Income Fund for the year ended 30 June 2025
- Merlon Concentrated Australian Share Fund for the year ended 30 June 2025

Opinion

We have audited the financial report of Merlon Capital Partners Pty Limited (the Trusts), which comprises the statements of financial position as at period end and year end indicated above, the statements of comprehensive income, statements of changes in unitholder funds, and statements of cash flows for the period and year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

a. Giving a true and fair view of the Trusts' financial position as at period end and year end indicated above and of their financial performance for the period and year then ended; and

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

Basis for opinion

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

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

Emphasis of matter - basis of accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. Merlon Australian Share Core Income Fund terminated on 18 June 2025. As a result, the financial report of the Fund has been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The directors of Fidante Partners Limited as the Responsible Entity of the Trusts (the "Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the directors of the Responsible Entity for the financial report

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

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

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Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

- Conclude on the appropriateness of the directors of the Responsible Entity's 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 Trusts' 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 Trusts 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 of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Jim Chuang

Jim Chuang
Partner
Sydney
22 September 2025

Directory

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AFSL 234 668

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