

DATT CAPITAL ABSOLUTE RETURN FUND

ABN 37 898 743 716

GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

Directors' Report

The directors of Fundhost Limited, the Trustee of the Datt Capital Absolute Return Fund (the "Fund"), present their report together with the financial report of the Fund for the year ended 30 June 2025 and the auditor's report thereon.

Trustee

The registered office and principal place of business of the Trustee is:

Suite 15.01, Level 15
10 Spring Street
Sydney NSW 2000

Directors

The names of the directors of the Trustee in office at any time during or since the end of the financial year are:

Valerie Anne Monge
Drew Wilson
Robert H Nagel
Paul Ernest Dortkamp

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review and results of operations

During the year, the Fund continued to invest in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Trust Deed.

The results of the operations of the Fund are disclosed in the Statement of Comprehensive Income of this financial report.

	2025 \$'000	2024 \$'000
Net profit before financing costs	1,951	4,396
Distributions to unitholders	3,059	-
Distributions payable	3,059	-

Significant changes in state of affairs

During the financial year, HSBC Bank Australia Limited was appointed as custodian from 18 October 2024 and National Australia Bank Limited were the custodian up to that date. Integrated Portfolio Solutions Pty Ltd was also appointed in October 2024 to assist with taxation reports. On 26 May 2025, Fundhost Ltd signed a "lift and shift" agreement with SS&C Process Solutions Pty Ltd under which the Administration team now work for SS&C.

Principal activities

The principal activity of the Fund during the financial year was the investment and management of securities in accordance with its investment objectives and guidelines as set out in the Information Memorandum (IM) and in accordance with the provisions of the Trust Deed.

The Fund did not have any employees during the financial year (2024: nil).

No significant change in the nature of these activities occurred during the financial year (2024: nil).

Events subsequent to the balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years other than those items disclosed throughout the financial report.

Likely developments

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Trust Deed.

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

Directors' Report (cont'd)

Likely developments (cont'd)

Likely developments in the operations of the Fund and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Fund.

Interests in the Fund

The movement in units on issue in the Fund during the year and the number of units in the Fund as at the end of the financial year are disclosed in Note 3 of the financial report.

The value of the Fund's assets and liabilities is disclosed in the Statement of Financial Position in accordance with the accounting policies set out in Note 1 of the financial report.

Fees paid to and interests held in the Fund by the Trustee

Fees paid to the Trustee out of Fund property during the year are disclosed in Note 9(a) of the financial report.

The number of interests in the Fund held by the Trustee as at the end of the financial year are disclosed in Note 9(c) of the financial report.

No fees were paid out of Fund property to the directors of the Trustee during the year (2024: nil).

Environmental regulation

The Fund's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued units or interests in the Fund were granted during or since the end of the financial year and there were no options granted to the Trustee.

Indemnities and insurance premiums for officers or auditors

No indemnities have been given or insurance premiums paid by the Fund, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Fund.

To the extent permitted by law, the Trustee has agreed to indemnify its auditor, Ernst & Young, as part of terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Proceedings on behalf of the Fund

No person has applied for leave of Court to bring proceedings on behalf of the Fund or intervene in any proceedings to which the Fund is a party for the purpose of taking responsibility on behalf of the Fund for all or any part of those proceedings.

The Fund was not a party to any such proceedings during the financial year.

Rounding

Amounts in the financial reports have been rounded to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors:



Drew Wilson

Director

Dated this 26th day of September 2025

Statement of Comprehensive Income
For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Investment income			
Dividend and distribution income		285	294
Interest income from financial assets at fair value		88	64
Net gains on financial assets at fair value through profit or loss		2,089	5,641
Total net investment income		<u>2,462</u>	<u>5,999</u>
Expenses			
Responsible Entity's fees	2	28	21
Management fees	2	184	136
Performance fees	2	98	1,346
Transaction fees		181	88
Other expenses		20	12
Total expenses		<u>511</u>	<u>1,603</u>
Net profit before financing costs		<u>1,951</u>	<u>4,396</u>
Finance costs attributable to unitholders			
Distributions to unitholders	4	(3,059)	-
Decrease / (increase) in net assets attributable to unitholders		1,108	(4,396)
Net profit after finance costs		<u>-</u>	<u>-</u>
Other comprehensive income		-	-
Total comprehensive income		<u>-</u>	<u>-</u>

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

Statement of Financial Position
As at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Assets			
Cash and cash equivalents	8(a)	1,452	623
Receivables	5	815	220
Financial assets at fair value through profit or loss	7	21,220	17,671
Total assets		<u>23,487</u>	<u>18,514</u>
Liabilities			
Payables	6	534	1,579
Distributions payable	4	3,059	-
Total liabilities (excluding net assets attributable to unitholders)		<u>3,593</u>	<u>1,579</u>
Net assets attributable to unitholders		<u>19,894</u>	<u>16,935</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements.

**Statement of Changes in Equity
For the year ended 30 June 2025**

Under Australian Accounting Standards, the Fund's net assets attributable to unitholders are classified as a liability rather than equity. As a result the Fund has no equity for financial reporting purposes and there were no changes in equity at the start or end of the current or prior periods.

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

Statement of Cash Flows
For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Dividends and distributions received		275	310
Interest received		94	74
Management fees paid		(212)	(150)
Performance fees paid		(1,346)	(96)
Other expenses paid		(14)	(102)
Proceeds from sale of financial assets at fair value through profit or loss		42,150	13,647
Payment for financial assets at fair value through profit or loss		(44,182)	(17,231)
Net cash outflow from operating activities	8(b)	(3,235)	(3,548)
Cash flows from financing activities			
Proceeds from issue of units		5,029	1,918
Payments for redemption of units		(965)	(601)
Distributions paid		-	(27)
Net cash inflow from financing activities		4,064	1,290
Net increase / (decrease) in cash held		829	(2,258)
Cash and cash equivalents at the beginning of the year		623	2,881
Cash and cash equivalents at the end of the year	8(a)	1,452	623

The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements.

**Notes to the Financial Statements
For the year ended 30 June 2025**

Note 1. Statement of Material Accounting Policies

This financial report covers the Datt Capital Absolute Return Fund (the "Fund") as an individual entity.

The Fund is an unregistered investment scheme and was constituted on 21 June 2018. The financial report of the Fund is for the year ended 30 June 2025.

The financial report was approved by the Board of Directors of Fundhost Limited as the Trustee on 26 September 2025. The Directors have the power to amend and re-issue the financial report.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), Australian Accounting Interpretations, and the financial reporting requirements of the Trust Deed.

The material accounting policies applied in the preparation of these financial report are set out below.

On the face of the Statement of Financial Position, all assets and liabilities are presented in decreasing order of liquidity and not distinguished between current and non-current. All of the Fund's assets and liabilities are held for the purpose of being traded or are expected to be realised within 12 months.

The Fund is a for-profit unit trust for the purpose of preparing the financial report.

The Fund is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument class order 2016/191 applies. Accordingly, amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

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

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) Use of estimates and judgements

The making of judgments, estimates and assumptions is a necessary part of the financial reporting process and these judgments, estimates or assumptions can have a significant effect on the reported amounts of the financial report. Estimates and assumptions are determined based on information available at the time of reporting the financial report and actual results may differ from these estimates and assumptions. Had different estimates and assumptions been adopted, this may have had a significant impact on the financial report. Significant accounting estimates, judgments and assumptions are re-evaluated at each balance date in light of historical experience and changes to reasonable expectations of future events. Revisions to accounting estimates are recognised in the period which estimate is revised in future period affected. Significant accounting judgments, estimates and assumptions include but are not limited to:

• Fair value measurement of investments in financial instruments

The majority of the Fund's investments are listed equities measured at fair value through profit or loss. Where available, quoted market prices for the same or similar instrument are used to determine fair value. Where there is no market price available for an instrument, a valuation technique is used. Judgment is applied in selecting valuation techniques and setting valuation assumptions and inputs. Further details on the determination of fair value of financial assets and derivative financial instruments set out in Note 1(a).

a. Financial Instruments

(i) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date. Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

(ii) Classification

In accordance with AASB 9, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets discussed below.

**Notes to the Financial Statements
For the year ended 30 June 2025**

Note 1. Statement of Material Accounting Policies (cont'd)

a. Financial Instruments (cont'd)

(ii) Classification (cont'd)

Financial Assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding;
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The equity securities are mandatorily classified as fair value through profit or loss.

In applying that classification, a financial asset or financial liability is considered to be held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial liabilities measured at FVPL

A financial liability is measured at FVPL if it meets the definition of held for trading. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Fund that are not designated as hedging instruments in hedge relationships as defined.

The derivatives are mandatorily classified as fair value through profit or loss.

(iii) Measurement

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the Statement of Financial Position date without any deduction for estimated future selling costs. Financial assets are priced at close prices, while financial liabilities are priced at current asking prices. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

**Notes to the Financial Statements
For the year ended 30 June 2025**

Note 1. Statement of Material Accounting Policies (cont'd)

a. Financial Instruments (cont'd)

(iii) Measurement (cont'd)

• *Fair value in an inactive or unquoted market*

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

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

For other pricing models, inputs are based on market data at the balance date. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer. Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such funds.

b. Impairment of assets

AASB 9 requires the Fund to record an allowance for expected credit losses (ECLs) for all loans and other financial assets not held at fair value through profit and loss.

The Fund holds trade receivables with no significant financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply the simplified approach for expected credit losses (ECL) under AASB 9 to all its trade receivables. Therefore the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

c. Investment income and expenses

Realised and unrealised gains and losses on sale are recognised as investment income in the Statement of Comprehensive Income. Gross proceeds from sale of investments are disclosed in the Statement of Cash Flows.

Dividend income is recognised on a receivable basis on the date the shares are quoted ex-dividend. Distributions from property trusts and unit trusts are recognised as income in the Statement of Comprehensive Income when declared.

Interest income and expenses are recognised in the Statement of Comprehensive Income for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments.

All expenses including management fees and performance fees are recognised on an accrual basis in the Statement of Comprehensive Income.

d. Management fees

In accordance with the Fund's Information Memorandum (IM), the Investment Manager is entitled to a management fee of 1.03% per annum of the value of the Fund payable on a monthly basis for managing the assets of the Fund. Management fees and costs also include ordinary operating expenses which are capped at 0.25% per annum.

e. Performance fees

The Fund's managers are entitled to a performance fee when the investment performance of the Fund has both exceeded the hurdle, being the performance of the RBA Cash Rate plus 5% for the relevant year. The method of calculating the fee is detailed in the Trust Deed and summarised in the current Information Memorandum (IM).

f. Income tax

Under current legislation, the Fund is not subject to income tax provided unitholders are presently entitled and taxable income including assessable capital gains is fully distributed to unitholders.

g. Distributions

In accordance with the Trust Deed and applicable taxation legislation, the Fund fully distributes its distributable income to the unitholders by way of cash or reinvestment into the Fund. The distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

Distributions to unitholders comprise the net distributable income of the Fund. The distributions (if any) are payable or attributable at the end of June each year. A distribution payable is recognised in the Statement of Financial Position where the distribution has been declared but remains unpaid at balance date.

**Notes to the Financial Statements
For the year ended 30 June 2025**

Note 1. Statement of Material Accounting Policies (cont'd)

h. Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% (55% on Trustee fees) hence investment management fees, administration fees, custodial fees and other expenses have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position. Cash flows relating to GST are included in the Statement of Cash Flows on a gross basis.

i. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and at call deposits with banks or financial institutions, investments in money market instruments with original maturities of less than three months and net of bank overdrafts.

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

j. Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

k. Payables

Trade payables and other accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services. The distribution amount payable to unitholders as at the reporting date is recognised separately on the Statement of Financial Position when declared by the Fund and remain unpaid as at year end.

l. Due from/to brokers

Amounts due from/to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and normally settled within three business days.

m. Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance date if unitholders exercised their right to redeem units in the Fund.

n. Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. No exit fees are charged. Unit redemption prices are determined by reference to the net assets of the Fund divided by the number of units on issue at or immediately prior to close of business each month.

o. New standards and interpretations adopted

Since 1 July 2024, the Fund has adopted all mandatory standards and amendments of Australian Accounting Standards. Adoption of these standards and amendments did not have a material impact on the Fund's financial results or reporting.

p. New standards and interpretations not yet adopted

Australian Accounting Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2025 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

AASB 18 Presentation and Disclosures in Financial Statements

AASB 18 Presentation and Disclosures in Financial Statements was issued by the Australian Standards Board in June 2025. AASB 18 is effective on January 1, 2027, and is required to be applied retrospectively to comparative periods presented, with early adoption permitted. AASB 18, upon adoption replaces AASB 101 - Presentation of Financial Statements.

AASB 18 sets out new requirements focused on improving financial reporting by:

- requiring additional defined structure to the statement of profit or loss (i.e. consolidated statement of income), to reduce diversity in the reporting, by requiring five categories (operating, investing, financing, income taxes and discontinued operations) and defined subtotals and totals (operating income, income before financing, income taxes and net income).
- requiring disclosures in the notes to the financial statements about management-defined performance measures (i.e. non-AASB measures), and
- adding new principles for aggregation and disaggregation of information in the primary statements and notes.

Notes to the Financial Statements
For the year ended 30 June 2025

p. New standards and interpretations not yet adopted (cont'd)

AASB 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss', due to the classification of certain income and expense items between the five categories of the consolidated income statement. It might also change what an entity reports as operating activities, investing activities and financing activities within the statement of cash flows, due to the change in classification of certain cash flow items between these three categories of the cash flows statement. Funds are currently assessing the impact of adopting AASB 18.

q. Comparative revisions

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

Note 2. Expenses

The amounts paid or due and payable to the Fund's managers in accordance with the Trust Deed were:

	2025	2024
	\$'000	\$'000
Responsible Entity's fees	28	21
Management fees	184	136
Performance fees	98	1,346
	<u>310</u>	<u>1,503</u>

Note 3. Net assets attributable to unitholders

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

	2025	2024	2025	2024
	Units '000	Units '000	\$'000	\$'000
Opening balance at 1 July	12,452	10,601	16,935	10,413
Units issued during the year	3,732	1,821	4,982	2,123
Units redeemed during the year	(673)	(514)	(915)	(531)
Distribution reinvested	-	544	-	534
Change in net assets attributable to unitholders	-	-	(1,108)	4,396
Closing balance at 30 June	<u>15,511</u>	<u>12,452</u>	<u>19,894</u>	<u>16,935</u>

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

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

Note 4. Distributions to unitholders

	2025	2024
	\$'000	\$'000
Interim distributions paid	-	-
Final distribution payable	3,059	-
	<u>3,059</u>	<u>-</u>

	CPU	CPU
Interim distribution - September	-	-
Interim distribution - December	-	-
Interim distribution - March	-	-
Final distribution - June	19.7221	-

Note 5. Receivables

	2025	2024
	\$'000	\$'000
Reduced input tax credits receivable	9	4
Dividends and distributions receivable	9	-
Interest receivable	-	6
Other receivables	634	-
Applications to be processed	163	210
	<u>815</u>	<u>220</u>

Notes to the Financial Statements
For the year ended 30 June 2025

Note 6. Payables

	2025	2024
	\$'000	\$'000
Responsible Entity's fees payable	3	2
Performance fees payable	98	1,346
Other expenses payable	13	4
Management fees payable	19	15
Redemptions payable	-	50
Amounts owing on investments purchased	401	162
	<u>534</u>	<u>1,579</u>

Note 7. Financial assets at fair value through profit or loss

	2025	2024
	\$'000	\$'000
Financial assets		
Listed equity securities	20,210	15,458
Options on equity securities	-	195
Unlisted unit trusts	1,010	2,019
	<u>21,220</u>	<u>17,671</u>

Note 8. Cash flow information

	2025	2024
	\$'000	\$'000
a. Reconciliation of cash and cash equivalents		
Cash balance comprises:		
Cash at bank	1,452	623
Total cash and cash equivalents	<u>1,452</u>	<u>623</u>
b. Reconciliation of net profit before financing costs to cash flows from operating activities		
Net profit before financing costs	1,951	4,396
Proceeds from sale of financial assets at fair value through profit or loss	42,150	13,647
Payment for financial assets at fair value through profit or loss	(44,182)	(17,231)
Net gains on financial assets at fair value through profit or loss	(2,089)	(5,641)
Brokerage expenses	175	-
Changes in assets and liabilities:		
Net change in payables	(1,233)	1,254
Net change in receivables	(7)	27
Net cash outflow from operating activities	<u>(3,235)</u>	<u>(3,548)</u>

Non-cash items relating to reinvestment of distributions paid are included in Note 3. There were no other non-cash items.

Note 9. Related Party Disclosures
a. Fundhost Limited - fees

Fundhost Limited (ACN 092 517 087) as Trustee of the Datt Capital Absolute Return Fund provides services to the Fund in accordance with the Fund's Trust Deed. Transactions with the Trustee have taken place at arm's length.

During the year the following amounts were paid to the Trustee:

	2025	2024
	\$	\$
Responsible Entity fees	<u>27,879</u>	<u>20,538</u>

The amounts due and payable at 30 June to the Trustee in accordance with the Trust Deed were:

	2025	2024
	\$	\$
Responsible Entity fees	<u>2,952</u>	<u>2,310</u>

**Notes to the Financial Statements
For the year ended 30 June 2025**

Note 9. Related Party Disclosures (cont'd)

b. Datt Capital Pty Ltd - fees

Datt Capital Pty Ltd (ABN 37 124 330 865), as Investment Manager of the Datt Capital Absolute Return Fund, provides services to the Fund in accordance with the Fund's Trust Deed. Transactions with the Investment Manager have taken place at arm's length.

During the year the following amounts were paid to the Investment Manager:

	2025	2024
	\$	\$
Management fees	184,196	135,857
Performance fees	97,968	1,346,068

The amounts due and payable at 30 June to the Investment Manager in accordance with the Trust Deed were:

	2025	2024
	\$	\$
Management fees	19,305	15,284
Performance fees	97,968	1,346,068

c. Fundhost Limited - Key Management Personnel

Fundhost Limited as Trustee and Datt Capital Pty Ltd as Investment Manager are considered key management personnel. The Fund does not employ personnel in its own right.

The Directors of Fundhost Limited, the Responsible Entity, during the year were:

Valerie Anne Monge
Drew Wilson
Robert H Nagel
Paul Ernest Dortkamp

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year (2024: nil).

There were no units held in the Datt Capital Absolute Return Fund by the Trustee and by Directors and their respective related parties (2024: nil).

Key management personnel are paid by Fundhost Limited. Payments made from the Fund to Fundhost Limited do not include any amounts attributable to the compensation of key management personnel.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year (2024: nil).

There were no post-employment benefits paid to a director or key management personnel of the Trustee (2024: nil).

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

d. Datt Capital Pty Ltd - Key Management Personnel

The Director of Datt Capital Pty Ltd during the financial year was:

Emanuel Datt

Notes to the Financial Statements
For the year ended 30 June 2025

Note 9. Related Party Disclosures (cont'd)**d. Datt Capital Pty Ltd - Key Management Personnel (cont'd)**

Units held in the Datt Capital Absolute Return Fund by Datt Capital Pty Ltd, its Directors and their respective related parties in aggregate were:

Unitholder	Number of units held (Units)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
2025					
Datt Family Foundation Pty Limited	1,767,203	14.19	-	(367,377)	348,530
Princes Park Investments Company Pty Ltd	740,041	5.94	-	-	145,952
Datt Family Superannuation Pty Ltd	2,353,660	18.90	-	-	464,192
2024					
Datt Family Foundation Pty Limited	2,134,580	17.14	109,125	-	-
Princes Park Investments Company Pty Ltd	740,041	5.94	38,944	(21,733)	-
Datt Family Superannuation Pty Ltd	2,353,660	18.90	122,209	(36,857)	-

Note 10. Auditor's remuneration

	2025 \$	2024 \$
Amounts received or due and receivable by EY for:		
Audit of the financial report of the Fund	14,214	13,133
Tax services	4,830	4,690
	<u>19,044</u>	<u>17,823</u>

Auditor's remuneration for the financial year ended 30 June 2024 and 30 June 2023 was fully paid by the Investment Manager.

Note 11. Financial risk management

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

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's IM and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by the investment management team at Datt Capital Pty Ltd.

The Fund uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of price risks.

Compliance with the Fund's IM is reported to the Fundhost Limited Board on a monthly basis.

a. Market risk**(i) Price risk**

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

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the IM. The Australian shares are listed on the Australian Securities Exchange.

The Fund is exposed, particularly through its equity portfolio, to market risks influencing investment valuations. These market risks include changes in a company's internal operations or management, economic factors and also relate to changes in taxation policy, monetary policy, interest rates and statutory requirements.

The table below summarises the impact of an increase/decrease in the market value of the share portfolio on the Fund's net assets attributable to unitholders at 30 June and net profit before financing costs from operating activities. The analysis is based on the assumptions that the security prices increased/decreased by 10% with all other variables held constant and that the fair value of the Fund's portfolio moved according to this.

Notes to the Financial Statements
For the year ended 30 June 2025

Note 11. Financial risk management (cont'd)**a. Market risk (cont'd)****(i) Price risk (cont'd)**

	Impact on net profit before financing costs Higher/(Lower)		Net assets attributable to unitholders Higher/(Lower)	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Market value changes				
Share portfolio value +10%	2,122	1,767	2,122	1,767
Share portfolio value -10%	(2,122)	(1,767)	(2,122)	(1,767)

(ii) Interest rate risk

The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates on its financial position and cash flows.

	Weighted Average Effective Interest		Floating Interest Rate		Non Interest Bearing		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:								
Cash and cash equivalents	3.63	3.77	1,452	623	-	-	1,452	623
Receivables			-	-	815	220	815	220
Financial assets at fair value through profit or loss			-	-	21,220	17,671	21,220	17,671
Total Financial Assets			1,452	623	22,035	17,891	23,487	18,514
Financial Liabilities (excluding unitholder funds):								
Payables			-	-	534	1,579	534	1,579
Distributions payable			-	-	3,059	-	3,059	-
Total Financial Liabilities			-	-	3,593	1,579	3,593	1,579
Net exposure			1,452	623	18,442	16,312	19,894	16,935

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Fund's profit is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit \$'000
2025		
Australian Dollar	+100	72
	(100)	43
2024		
Australian Dollar	+100	38
	(100)	25

(iii) Foreign exchange risk

The Fund has no exposure to foreign exchange risk this financial year (2024: nil).

b. Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemption of its redeemable units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's Trust Deed.

All financial liabilities have maturity term within a month, other than net assets attributable to unitholders described below.

Normally once Fundhost Limited decides the unitholder can withdraw their money, it takes 5 business days to process the request (although the Trust Deed for the Fund allows a reasonable period, which could be longer), and funds are then paid to the unitholder in accordance with instructions.

Notes to the Financial Statements
For the year ended 30 June 2025

Note 11. Financial risk management (cont'd)**b. Liquidity risk (cont'd)**

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

The Fund monitors the level of monthly applications and redemptions relative to the liquid assets in the Fund. The Fund invests mostly in Australian listed companies, unlisted unit trusts and holds cash.

c. Credit risk

Credit risk primarily arises from investments in debt securities and from trading derivative products. The Fund's exposure to credit risk arises from potential default of the counterpart, with a maximum exposure equal to the carrying amount of the financial assets. Other credit risk arises from cash and cash equivalents with banks and amounts due from brokers. At 30 June 2025 and 30 June 2024, all receivables, amounts due from brokers, cash and cash equivalents with banks with a credit rating of A-1 or higher are either callable on demand or due to be settled within 6 months. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

The carrying amount of financial assets approximates fair value as at the reporting date.

Note 12. Fair value of financial instruments

Financial instruments carried at fair value are categorised under a three level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels are:

Level 1: Valued using quoted prices in active markets for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: Valued using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), including: quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities, and other inputs that are not quoted prices but are observable for the asset or liability. The prices for the Fund are based on redemption unit prices quoted by the investment or trustee.

Level 3: Valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable inputs are determined based on the best information available, which might include the Fund's own data, reflecting the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Valuation techniques are used to the extent that observable inputs are not available.

The following table shows an analysis of financial instruments at the balance sheet date, recorded at fair value by level of the fair value hierarchy:

30 June 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed equity securities	20,210	-	-	20,210
Unlisted unit trusts	-	-	1,010	1,010
Total	20,210	-	1,010	21,220

30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed equity securities	15,458	-	-	15,458
Options on equity securities	-	195	-	195
Unlisted unit trusts	-	-	2,019	2,019
Total	15,458	195	2,019	17,671

There were no movements between level 1, 2 or 3 during the year (2024: nil).

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within level 3 between the beginning and the end of the reporting year.

Notes to the Financial Statements
For the year ended 30 June 2025

Note 12. Fair value of financial instruments (cont'd)

	Level 3 2025 \$'000	Level 3 2024 \$'000
Opening balance	2,019	2,010
Purchases of level 3 investments	-	-
Sale of level 3 investments	(1,000)	-
Total gains – profit and loss	(9)	9
Closing balance	1,010	2,019

Level 3 investments comprise:

- Unit Trusts: Sale of Maxcap Macquarie Park \$1mil and still hold Maxcap Clayton \$1.01mil (2024: \$2,019,000).

Valuation process for Level 3 valuations and sensitivity analysis of the significant unobservable inputs

Valuation of level 3 securities is performed monthly. The unlisted unit trusts are initially valued at fair value excluding any transaction costs, and are subsequently measured at fair value with changes in the fair value recognised in through profit and loss.

	Effect of fair value Higher/(Lower) 2025 \$'000	2024 \$'000
Price movement +10%	101	202
Price movement -10%	(101)	(202)

The Valuation Committee considers the valuations and valuation methodologies applied to the relevant securities, and reviews available security-specific and general market information in order to make a fair value determination.

Securities which are fair-valued are monitored and reviewed to ensure their value remains in line with the statement of valuation principles as set out in the fair value policy of the Investment Manager. Any stale prices are monitored daily to assess whether a fair value determination is required.

Valuation techniques are set out in the pricing policy of the Investment Manager and can include liquidity discounting to reflect management's assessment of recoverability of investment as at 30 June 2025.

The inherent uncertainty in the valuation of such investments may result to a significant difference between the Fund's estimates of fair value and the fair values had observable inputs been available.

The table below discloses the valuation technique used in the valuation for Level 3 investments and quantifies the effect of significant unobservable inputs used to value investments that fall in this category. Securities valued at nil have not been included in the following table.

	Fair Value as at 30 June 2025 \$'000	Valuation technique	Unobservable input	Range of input	Sensitivity used	Effect on fair value +/-(-) \$'000
Loan note	1,010	Redemption value per unit	Interest rate	11% - 21.5%	+/-10%	100/(100)
	Fair Value as at 30 June 2024 \$'000	Valuation technique	Unobservable input	Range of input	Sensitivity used	Effect on fair value +/-(-) \$'000
Unlisted unit trusts	1,009	Redemption value per unit	Interest rate	11% - 21.5%	+/-10%	100/(100)
Loan note	1,010	Redemption value per unit	Interest rate	11% - 21.5%	+/-10%	100/(100)

Note 13. Commitments and contingencies

There were no commitments nor contingent assets and liabilities at 30 June 2025 (2024: nil).

Note 14. Events subsequent to balance date

Other than those items disclosed throughout the financial report, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future years.

Directors' Declaration

In accordance with a resolution of the Directors of the Trustee of the Datt Capital Absolute Return Fund (the Fund), I state that:

In the opinion of the Directors:

- (i) The financial report and notes are prepared in accordance with the requirements of the Fund's Trust Deed, including:
 - a) complying with Australian Accounting Standards;
 - b) present fairly the Fund's financial position as at 30 June 2025 and of its performance for the year ended on that date.
- (ii) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1;
- (iii) In the Directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Drew Wilson
Director
Sydney
Dated this 26th day of September 2025

Independent auditor's report to the unitholders of Datt Capital Absolute Return Fund

Opinion

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

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Fund as at 30 June 2025 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Fund in accordance with the 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.

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

The directors of Fundhost Limited as the Responsible Entity of the Fund (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 for the financial report

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

In preparing the financial report, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the



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going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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

Ernst & Young

Ernst & Young
Sydney
26 September 2025