Lion Active ETF

ARSN 685 354 518

Annual report
For the period 25 March 2025 to 30 June 2026

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This annual financial report covers Lion Active ETF as an individual entity.

The Responsible Entity of Lion Active ETF is K2 Asset Management Ltd (ABN 95 085 445 094) (AFSL 244393).

The Responsible Entity's registered office is:

Level 44, 101 Collins Street
Melbourne, VIC, 3000.

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Directors' report

The directors of K2 Asset Management Ltd, the Responsible Entity of Lion Active ETF (the "Fund"), present their report together with the financial statements of the Fund for the period 25 March 2025 to 30 June 2026 and auditors report thereon.

Principal activities

The Fund is available to investors on the Australian Securities Exchange (ASX) as an active Exchange Traded Managed Fund (ASX Code: ROAR) and its units commenced trading on the ASX on 1 June 2026 subject to its obligations under AQUA Rules and ASX Operating Rules.

The Fund mainly invests in globally listed equities (typically 30–50 positions) and may also hold cash, ETFs, and fixed interest instruments as set out in the current Product Disclosure Statement and in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the period.

The Fund is domiciled in Australia.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	K2 Asset Management Ltd
Investment Manager	Lioncrest Partners Pty Ltd
Administrator & Custodian	Apex Fund Services Pty Ltd (an Apex Group Company)
Statutory Auditor	KPMG

Directors

The following persons held office as directors of K2 Asset Management Ltd during or since the end of the date of this report:

Campbell W Neal
Hollie A Wight
George Boubouras
Neil Sheather (Retired on 15 June 2026)
Andrew MacDonald (Appointed on 15 June 2026)

Review and results of operations

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

The investment policy of the Fund is detailed in the current Product Disclosure Statement and in accordance with the provisions of the Fund's Constitution.

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

	For the period 25 March 2025 to 30 June 2026 $
Profit/(loss) before finance costs attributable to unit holders for the period	**508,067**

There were no distributions declared for the period 25 March 2025 to 30 June 2026.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may have a significant effect on:

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

Directors' report (continued)

Likely developments and expected results of operations

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

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

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regard to insurance cover provided to the officers of K2 Asset Management Ltd. So long as the officers of K2 Asset Management Ltd act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

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

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

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

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

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

Interests in the Fund

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

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

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2026/183,* unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of K2 Asset Management Ltd through a delegated authority given by K2 Asset Management Ltd's Board.



Hollie Wight
Director

Melbourne
29 September 2026

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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of K2 Asset Management Ltd (the Responsible Entity) of Lion Active ETF

I declare that, to the best of my knowledge and belief, in relation to the audit of the Lion Active ETF for the period 25 March 2025 to 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Chris Wooden
Partner
Melbourne
29 September 2026

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Statement of comprehensive income

	Note	For the period 25 March 2025 to 30 June 2026 $
Income		
Dividend income		**4,325**
Net foreign exchange gain/(loss)		**56,215**
Net gains/(losses) on financial instruments at fair value through profit or loss		**625,465**
Other income		**568**
Total income/(loss)		**686,573**
Expenses		
Management fees and costs	13	**13,743**
Performance fees	13	**141,160**
Withholding taxes		**123**
Transaction costs		**23,480**
Total expenses		**178,506**
Profit/(loss) before finance costs attributable to unit holders for the period		**508,067**
Finance costs attributable to unit holders		
Distributions to unit holders		**-**
(Increase)/decrease in net assets attributable to unit holders		**(508,067)**
Profit/(loss) for the period		**-**
Other comprehensive income		**-**
Total comprehensive income/(loss) for the period		**-**

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

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Statement of financial position

	Note	As at 30 June 2026 $
Assets		
Cash and cash equivalents	8	**630,696**
Receivables	10	**823,389**
Due from brokers - receivable for securities sold		**899,535**
Financial assets at fair value through profit or loss	5	**15,824,707**
Total assets		**18,178,327**
Liabilities		
Due to brokers - payable for securities purchased		**846,899**
Payables	11	**154,903**
Total liabilities		**1,001,802**
Net assets attributable to unit holders – liability	6	**17,176,525**

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

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Statement of changes in equity

Net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or the end of the year.

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

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Statement of cash flows

	Note	For the period 25 March 2025 to 30 June 2026 $
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss		**5,261,742**
Payments for purchase of financial instruments at fair value through profit or loss		**(20,513,620)**
Dividends received		**2,903**
Transaction costs paid		**(23,480)**
Other income received		**(34)**
Net cash inflow/(outflow) from operating activities	9(a)	**(15,272,489)**
Cash flows from financing activities		
Proceeds from applications by unit holders		**15,846,970**
Net cash inflow/(outflow) from financing activities		**15,846,970**
Net increase/(decrease) in cash and cash equivalents		**574,481**
Cash and cash equivalents at the beginning of the period		**-**
Effects of foreign currency exchange rate changes on cash and cash equivalents		**56,215**
Cash and cash equivalents at the end of the period	8	**630,696**
Non-cash operating and financing activities		**-**

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

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1. General information

These financial statements cover Lion Active ETF (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 14 March 2025, registered with the Australian Securities and Investments Commission on 25 March 2025 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Fund is available to investors on the Australian Securities Exchange (ASX) as an active Exchange Traded Managed Fund (ASX Code: ROAR) and its units commenced trading on the ASX on 1 June 2026 subject to its obligations under Aqua Rules and ASX Operating Rules.

The Responsible Entity of the Fund is K2 Asset Management Ltd (ABN 95 085 445 094) (AFSL 244393) (the "Responsible Entity"). The Responsible Entity's registered office is Level 44, 101 Collins Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund mainly invests in globally listed equities (typically 30–50 positions) and may also hold cash, ETFs, and fixed interest instruments as set out in the current Product Disclosure Statement and in accordance with the provisions of the Fund's Constitution.

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

The financial statements for the Fund are for the period 25 March 2025 to 30 June 2026.

2. Summary of material accounting policies

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

a. Basis of preparation

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

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

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

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

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

i. Compliance with International Financial Reporting Standards (IFRS)

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

ii. New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the period beginning from 25 March 2025 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

iii. New standards and interpretations not yet adopted

AASB 18 *Presentation and Disclosure in Financial Statements*

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

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

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

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

Certain amendments to accounting standards have been published that are not mandatory for the 30 June 2026 reporting period and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting years and on foreseeable future transactions.

2. Summary of material accounting policies (continued)

b. Financial instruments

i. Classification

• Financial assets

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

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

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

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

For equity securities, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

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

• Financial liabilities

The Fund may make short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss.

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (borrowings, distributions payable, management fees and costs payable and performance fees payable).

ii. Recognition and derecognition

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

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

iii. Measurement

• Financial instruments at fair value through profit or loss

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

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

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

• Financial instruments at amortised cost

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

Cash and cash equivalents, receivables and payables are carried at amortised cost.

iv. Impairment

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

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2. Summary of material accounting policies (continued)

b. Financial instruments (continued)

iv. Impairment (continued)

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

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

v. Offsetting financial instruments

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

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

c. Net assets attributable to unit holders

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

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

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

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

d. Cash and cash equivalents

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

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

e. Income

i. Interest income

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

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

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

ii. Dividends and distributions

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

Trust distributions are recognised on an entitlement basis.

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2. Summary of material accounting policies (continued)

f. Expenses

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

Interest expense from financial liability at amortised cost is recognised using the effective interest method and includes interest expenses from the credit facility.

As per the Fund's Product Disclosure Statement (PDS), ordinary expenses such as investment management fees, Responsible Entity fees, custodian and administration fees, audit fees, and other ordinary expenses of operating the Fund are covered by the management fees and costs.

g. Income tax

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

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

h. Distributions

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

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

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

j. Foreign currency translation

i. Functional and presentation currency

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

ii. Transactions and balances

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

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

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

k. Receivables

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

l. Payables

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

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

m. Borrowings

Borrowings are recognised at historical cost where any transaction fees and costs directly related to the borrowings are recognised in the statements of comprehensive income over the expected life of the borrowings. Borrowings are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year.

n. Applications and redemptions

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

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2. Summary of material accounting policies (continued)

o. Goods and services tax (GST)

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

p. Use of estimates and judgements

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

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, 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 Investment Manager.

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

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

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

q. Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

r. Comparative period

The Fund was constituted on 14 March 2025, registered with the Australian Securities and Investments Commission on 25 March 2025 and commenced operations on 28 May 2026. The reporting period covers the period 25 March to 30 June 2026, hence there is no comparative information.

3. Financial risk management

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

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

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

The investments of the Fund, and associated risks, are managed by the Investment Manager, Mantis Funds Pty Ltd under an Investment Management Agreement (IMA) that contains the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

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

a. Market risk

i. Price risk

The Fund is exposed to price risk on equity securities. Price risk arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

The Fund's overall market positions are monitored on an ongoing basis by the Investment Manager. The Investment Manager of the Fund believe that it is difficult to accurately estimate future returns. Equity market returns can be volatile and returns from period to period often have a wide variance. As such, the Fund uses a long term performance average, rather than a short term performance number when estimating sensitivity to price risk. The longer return average takes into consideration the full market cycle, whereas an estimate based solely on last period's performance is likely to be misleading when the market cycle shifts.

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

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3. Financial risk management (continued)

a. Market risk (continued)

ii. Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

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

	British Pounds A$	US Dollars A$
As at 30 June 2026		
Financial assets		
Cash and cash equivalents	**2,164**	**(875)**
Receivables	**-**	**1,296**
Financial assets at fair value through profit or loss	**318,162**	**9,647,156**
Total Financial assets	**320,326**	**9,647,577**
Financial liabilities		
Due to brokers – payable for securities purchased	**-**	**(846,899)**
Total Financial liabilities	**-**	**(846,899)**
Net exposure	**320,326**	**8,800,678**

The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened and strengthened by +/-10% against the material foreign currencies to which the Fund is exposed.

iii. Cash flow and fair value interest rate risk

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

The Fund's interest bearing financial instruments expose it to risks associated with the effects of fluctuations in the prevailing market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. The impact of the interest rate risk on profit and net assets attributable to unit holders is considered immaterial to the Fund.

The Fund's main interest rate risk arises from borrowings.

The table below summarises the Fund's exposure to interest rate risk at the end of the reporting period.

	Floating interest rate $	Fixed interest rate $	Non-interest bearing $	Total $
As at 30 June 2026				
Financial assets				
Cash and cash equivalents	**630,696**	**-**	**-**	**630,696**
Receivables	**-**	**-**	**823,389**	**823,389**
Due from brokers - receivable for securities sold	**-**	**-**	**899,535**	**899,535**
Financial assets at fair value through profit or loss	**-**	**-**	**15,824,707**	**15,824,707**
Total assets	**630,696**	**-**	**17,547,631**	**18,178,327**
Financial liabilities				
Due to brokers - payable for securities purchased	**-**	**-**	**846,899**	**846,899**
Payables	**-**	**-**	**154,903**	**154,903**
Total liabilities	**-**	**-**	**1,001,802**	**1,001,802**
Net exposure	**630,696**	**-**	**16,545,829**	**17,176,525**

The table at Note 3(b) summarises the impact of an increase/decrease in interest rates on the Fund's operating profit and net assets attributable to unit holders through changes in fair value or changes in future cash flows. The analysis is based on the reasonably possible shift that the interest rates changed by +/-100 basis points from the period end rates with all other variables held constant.

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3. Financial risk management (continued)

iii. Cash flow and fair value interest rate risk (continued)

b. Summarised sensitivity analysis

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

	Impact on operating profit/net assets attributable to unit holders					
	Price risk		Foreign exchange risk		Interest rate risk	
	+10%	-10%	+10%	-10%	+100bps	-100bps
	$	$	$	$	$	$
As at 30 June 2026	**1,582,471**	**(1,582,471)**	**(84,431)**	**84,431**	**6,307**	**(6,307)**

c. Credit risk

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

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

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2026, cash and short-term deposits are held with counterparties with a credit rating of B- or higher and are either callable on demand or due to be settled within 1 week. 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.

i. Settlement of securities transactions

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

ii. Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as the Fund's counterparty has a rating of B- (as determined by Standard & Poor's) or higher.

iii. Other

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

iv. Maximum exposure to credit risk

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

d. Liquidity risk

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

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

The risk is controlled through the Fund's investment in financial instruments, which under market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements. Financial liabilities of the Fund comprise primarily fees payable to the Investment Manager which have no contractual maturities but are typically settled within 30 days.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during 2026.

i. Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month.

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4. Fair value measurement

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

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

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

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

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

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

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

a. Valuations using level 1 inputs

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

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

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

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

b. Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2026.

	Level 1 $	Level 2 $	Level 3 $	Total $
As at 30 June 2026				
Financial assets				
Listed domestic equity securities	**5,859,389**	**-**	**-**	**5,859,389**
Listed international equity securities	**9,965,318**	**-**	**-**	**9,965,318**
Total financial assets	**15,824,707**	**-**	**-**	**15,824,707**

c. Transfer between levels

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

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

d. Financial instruments not carried at fair value

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

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

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

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5. Financial assets at fair value through profit or loss

	As at 30 June 2026 $
Listed domestic equity securities	5,859,389
Listed international equity securities	9,965,318
Total financial assets at fair value through profit or loss	**15,824,707**

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

6. Net assets attributable to unit holders - liability

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

	For the period 25 March 2025 to 30 June 2026 Units	25 March 2025 to 30 June 2026 $
Opening balance	-	-
Applications	1,660,000	16,668,458
Redemptions	-	-
Reinvestment of distributions	-	-
Increase/(decrease) in net assets attributable to unit holders	-	508,067
Closing balance	**1,660,000**	**17,176,525**

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

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

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

Capital risk management

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

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

7. Distributions to unit holders

There were no distributions declared for the period 25 March 2025 to 30 June 2026.

8. Cash and cash equivalents

	As at 30 June 2026 $
Cash at bank	630,696
Total cash and cash equivalents	**630,696**

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

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

	For the period 25 March 2025 to 30 June 2026 $
Increase/(decrease) in net assets attributable to unit holders	**508,067**
Proceeds from sale of financial instruments at fair value through profit or loss	**5,261,742**
Payments for purchase of financial instruments at fair value through profit or loss	**(20,513,620)**
Net (gains)/losses on financial instruments at fair value through profit or loss	**(625,465)**
Net (gain)/loss on foreign exchange	**(56,215)**
Net change in receivables	**(1,901)**
Net change in payables	**154,903**
Net cash inflow/(outflow) from operating activities	**(15,272,489)**

10. Receivables

	As at 30 June 2026 $
Dividends receivable	**1,299**
Applications receivable	**821,488**
GST receivable	**602**
Total receivables	**823,389**

11. Payables

	As at 30 June 2026 $
Management fees and costs payable	**13,743**
Performance fees payable	**141,160**
Total payables	**154,903**

12. Remuneration of auditors

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

	For the period 25 March 2025 to 30 June 2026 $
KPMG	
Audit and other assurance services	
Audit of financial statements	**18,990**
Audit of compliance plan	**8,440**
Total remuneration for audit and other assurance services	**27,430**
Taxation services	
Tax compliance services	**5,170**
Total remuneration for taxation services	**5,170**
Total remuneration of KPMG	**32,600**

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

13. Related party transactions

The Responsible Entity of Lion Active ETF is K2 Asset Management Ltd (ABN 95 085 445 094). Accordingly, transactions with entities related to K2 Asset Management Ltd are disclosed below.

The Responsible Entity has contracted services to Lioncrest Partners Pty Ltd to act as Investment Manager for the Fund and Apex Fund Services Pty Ltd to act as Administrator for the Fund. The contracts are on normal commercial terms and conditions.

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13. Related party transactions (continued)

a. Key management personnel

i. Directors

Key management personnel include persons who were directors of K2 Asset Management Ltd at any time during or since the end of the financial period and up to the date of this report.

The following persons held office as directors of K2 Asset Management Ltd during or since the end of the date of this report:

Campbell W Neal
Hollie A Wight
George Boubouras
Neil Sheather (Retired on 15 June 2026)
Andrew MacDonald (Appointed on 15 June 2026)

ii. Responsible Entity

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

iii. Other key management personnel

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

b. Transactions with key management personnel

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

c. Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2026.

d. Key management personnel compensation

Key management personnel are paid by K2 Asset Management Ltd. Payments made from the Fund to K2 Asset Management Ltd do not include any amounts directly attributable to the compensation of key management personnel.

e. Key management personnel loans

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

f. Other transactions within the Fund

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

g. Responsible Entity fees, Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees and performance fee.

The transactions during the period and amounts payable as at period end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	For the period 25 March 2025 to 30 June 2026 $
Management fees and costs for the period	**13,743**
Performance fee for the period	**141,160**
Management fees and costs payable at period end	**13,743**
Performance fee payable at period end	**141,160**

K2 Asset Management Ltd earned $3,288 (exclusive of GST) for Responsible Entity services provided to the Fund paid from management fees.

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

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13. Related party transactions (continued)

g. Responsible Entity fees, Investment Manager's fees and other transactions (continued)

For information on how performance fees are calculated, please refer to the Fund's Product Disclosure Statement.

h. Related party unit holdings

Parties related to the held no units in the Fund as at 30 June 2026.

i. Investments

The Fund did not hold any investments in K2 Asset Management Ltd or its related parties during the period.

14. Events occurring after the reporting period

No significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2026 or on the results and cash flows of the Fund for the period ended on that date.

15. Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2026.

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Directors' declaration

In the opinion of the directors of the Responsible Entity:

a. The financial statements and notes set out on pages 5 to 21 are in accordance with the *Corporations Act 2001,* including:

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

   ii. giving a true and fair view of the Fund's financial position as at 30 June 2026 and of its performance for the period ended on that date.

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

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

This declaration is made in accordance with a resolution of the directors of K2 Asset Management Ltd's through a delegated authority given by K2 Asset Management Ltd's Board.



Hollie Wight
Director

Melbourne
29 September 2026

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Independent Auditor's Report

To the unitholders of Lion Active ETF

Opinion

We have audited the ***Financial Report*** of Lion Active ETF (the Scheme).

In our opinion, the accompanying Financial Report of the Scheme gives a true and fair view, including of the Scheme's financial position as at 30 June 2026 and of its financial performance for the period 25 March 2025 to 30 June 2026, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of Financial Position as at 30 June 2026
- Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the period 25 March 2025 to 30 June 2026.
- Notes, including material accounting policies
- Directors' declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Scheme and K2 Asset Management Ltd (the Responsible Entity) in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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Valuation of financial assets at fair value through profit or loss (AUD 15,824,707)	
Refer to Note 2(b), Note 4 and Note 5 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Financial assets at fair value through profit or loss comprise investments in listed equity securities ("the investments"). The Scheme outsources certain processes and controls relevant to: • Fund Administrator - Recording and valuing investments. • Custodian – Maintaining custody and underlying records of investments. This is a key audit matter due to the: • Size of the Scheme's portfolio of listed equity securities. These investments represent 87% of the Scheme's total assets as at period end; and • Importance of the performance of these investments in driving the Scheme's investment income and capital performance, as reported in the Financial Report. As a result, this was the area with greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit. We involved our KPMG valuation specialists to supplement our senior audit team members who understand the Group's business, industry and economic environment it operates in.	Our procedures included: • We assessed the appropriateness of the accounting policies applied by the Scheme, including those relevant to the fair value of investments, against the requirements of the accounting standards. • We obtained and read the Scheme's Fund Administrator's and Custodian's SOC1 (System and Organization Controls 1) assurance reports to understand the processes and assess the controls relevant to the: – Fund administrator - to record and value the Scheme's investments; and – Custodian - to maintain custody and underlying records of the Scheme's investments. • We assessed the reputation, professional competence and independence of the auditors of the SOC1 assurance reports. • We checked the existence of a sample of investments being the ownership and quantity held to independent confirmations from the Custodian as at 30 June 2026. • With the assistance of KPMG valuation specialists, we checked the valuation of a sample of investments, as recorded in the general ledger, to externally quoted market prices from relevant stock exchanges as at 30 June 2026. • We evaluated the Scheme's disclosures of investments, using our understanding obtained from our testing, against the requirements of the accounting standards.

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Measurement of Performance fee expense - AUD 141,160	
Refer to Note 2(f) of the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Measurement of performance fees is a key audit matter due to the Responsible Entity (K2 Asset Management Ltd) being the beneficiary of performance fee paid by the Scheme, which represents a significant audit risk associated with the related-party relationship. The manual nature of the fee calculation and assessment of the Scheme's return relative to the benchmark return per Scheme's Product Disclosure Statement (PDS), including use of a number of inputs in the calculation. Thereby increasing the risk of error.	Our procedures included: • We assessed the appropriateness of the Scheme's accounting policies related to performance fee expenses, against the requirements of the accounting standards and our understanding of the business and industry practise. • We obtained and read the Scheme's PDS to understand the performance fee calculation methodology and performed walkthrough with management to understand the fee calculation process. • We tested performance fees expense for the period using the calculation methodology as described in the PDS and compared our performance fee calculations with those of the Scheme. Any significant variances were investigated with management. • We evaluated the key inputs in the calculation such as number of units and net asset value (NAV) to the Scheme's unit registry and administrator reports. • We obtained and read Unit Registry and Administrator's SOC1 assurance reports to understand and assess controls relevant to: – Unit registry's recording and valuation of the units; and – Fund administrator's calculation of the Fund's NAV from 25 March 2025 to 30 June 2026. We evaluated the Scheme's disclosures using our understanding obtained from our testing, against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Lion Active ETF annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of K2 Asset Management Ltd (the Responsible Entity) are responsible for the Other Information.

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Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of K2 Asset Management Ltd (the Responsible Entity) are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and that is free from material misstatement, whether due to fraud or error
- assessing the Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Chris Wooden
Partner
Melbourne
29 September 2026