Perennial Value Microcap Opportunities Trust

ARSN 611 100 166

Annual Report for the year ended

30 June 2026

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This annual report covers Perennial Value Microcap Opportunities Trust as an individual entity.

The Responsible Entity of Perennial Value Microcap Opportunities Trust is Perennial Investment Management Limited (ABN 13 108 747 637) (AFSL 275101). The Responsible Entity's registered office is Level 27, 88 Phillip Street, Sydney, NSW 2000.

Directors' report

The Directors of Perennial Investment Management Limited, the Responsible Entity of Perennial Value Microcap Opportunities Trust ("the Scheme"), present their report together with the financial statements of the Scheme for the year from 1 July 2025 to 30 June 2026 ("the year").

The Scheme is a registered managed investment scheme domiciled in Australia.

Responsible Entity

The Responsible Entity of Perennial Value Microcap Opportunities Trust is Perennial Investment Management Limited (ABN 13 108 747 637) (AFSL 275101). The Responsible Entity's registered office is Level 27, 88 Phillip Street, Sydney, NSW 2000.

Principal activities

During the year, the Scheme continued to invest funds in accordance with the following investment objective:

To grow the value of the investment over the long term by investing in a portfolio of Australian companies, that are either listed or unlisted companies found outside the S&P/ASX Top 100 Index, and to provide a total return (after fees) that exceeds the S&P/ASX Small Ordinaries Accumulation Index measured on a rolling three year basis.

The investment objective is disclosed in the current Product Disclosure Statement ("PDS") and in accordance with the provisions of the Scheme's Constitution.

The Scheme did not have any employees during the year.

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

Directors

The following persons held office as Directors of Perennial Investment Management Limited during the year or since the end of the year and up to the date of this report, unless otherwise stated:

A. Patterson

C. Love

M. Bennett

Review and results of operations

The Investment Manager continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

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

	Year ended 30 June 2026	Year ended 30 June 2025
Total comprehensive income/(loss) for the year ($'000)	**1,063**	(18,435)
Distributions paid and payable to unitholders ($'000)	**-**	-
Distributions (cents per unit - "CPU")	**-**	-

Directors' report (continued)

Significant changes in state of affairs

In November 2025, the Scheme sold or transferred out all of its direct assets and bought units in the Balmoral Investors Emerging Companies Fund – Foundation Class. Perennial Investment Management Limited is also the Responsible Entity of this Balmoral fund.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Scheme that occurred during the year.

Likely developments and expected results of operations

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

The results of the Scheme's operations will be affected by a number of factors, including the performance of investment markets in which the Scheme 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.

Further information on likely developments in the operations of the Scheme and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Scheme.

Indemnification and insurance of officers and auditors

There is a Directors' and Officers' insurance policy which indemnifies the Directors and Officers of Perennial Investment Management Limited against liabilities to persons outside Perennial Investment Management Limited that arise out of the performance of their normal duties. The premiums have not been paid for out of the assets of the Scheme. The auditor of the Scheme is in no way indemnified out of the assets of the Scheme.

Fees and expense recoveries paid to and interests held in the Scheme by the Responsible Entity or its related parties

Fees and expense recoveries paid to the Responsible Entity and its related parties out of the Scheme property during the year are disclosed in note 10 of the financial statements.

No fees were paid out of Scheme property to the Directors of the Responsible Entity during the year.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the year are disclosed in note 10 of the financial statements.

Interests in the Scheme

The movements in units on issue in the Scheme during the year are disclosed in note 6 of the financial statements.

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

Environmental regulation

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

Environmental, social and governance (ESG) risks, including climate change, are identified in accordance with the Responsible Entity’s risk management framework.

Events occurring after the reporting year

No matters or circumstances have arisen since 30 June 2026 that have significantly affected, or may significantly affect:

(i) the operations of the Scheme in future years;

(ii) the results of those operations in future years; or

(iii) the state of affairs of the Scheme in future years.

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

The Scheme is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Instrument, unless otherwise indicated.

Auditor's independence declaration

The lead auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 5 and forms part of the Directors' Report for the year ended 30 June 2026.

Signed in accordance with a resolution of the Directors of Perennial Investment Management Limited.

Anthony Patterson

Director

Perennial Investment Management Limited

Sydney

24 September 2026

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

To the Directors of Perennial Value Microcap Opportunities Trust

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of Perennial Value Microcap Opportunities Trust for the financial year ended 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

KPMG

Luke Sullivan

Partner

Melbourne

24 September 2026

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Statement of comprehensive income

	Notes	**Year ended 30 June 2026 $'000**	Year ended 30 June 2025 $'000
Investment income/(loss)			
Interest income	3	**73**	118
Dividend and distribution income	4	**3,027**	3,646
Net losses on financial instruments at fair value through profit or loss	5	**(2,072)**	(21,098)
Other income		**375**	331
Total investment income/(loss)		**1,403**	(17,003)
Expenses			
Responsible Entity fees	10	**258**	1,284
Transaction costs		**82**	148
Total expenses		**340**	1,432
Operating profit/(loss) for the year		**1,063**	(18,435)
Other comprehensive income for the year		**-**	-
Total comprehensive income/(loss) for the year		**1,063**	(18,435)

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

Statement of financial position

	Notes	**As at 30 June 2026 $'000**	As at 30 June 2025 $'000
Assets			
Cash and cash equivalents		**17**	5,249
Receivables		**171**	3,533
Financial assets at fair value through profit or loss	7	**21,054**	78,225
Total assets		**21,242**	87,007
Liabilities			
Payables		**13**	3,057
Total liabilities		**13**	3,057
Net assets attributable to unitholders - equity	6	**21,229**	83,950

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

Statement of changes in equity

	Notes	**Year ended 30 June 2026 $'000**	Year ended 30 June 2025 $'000
Total equity at the beginning of the year		**83,950**	138,759
Comprehensive income/(loss) for the year			
Profit/(loss) for the year		**1,063**	(18,435)
Other comprehensive income		**-**	-
Total comprehensive income/(loss) for the year		**1,063**	(18,435)
Transactions with unitholders			
Applications	6	**2,017**	27,929
Redemptions	6	**(65,801)**	(64,303)
Total equity at the end of the year		**21,229**	83,950

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

Statement of cash flows

	Notes	**Year ended 30 June 2026 $'000**	Year ended 30 June 2025 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**142,399**	114,691
Payments for the purchase of financial instruments at fair value through profit or loss		**(84,476)**	(75,313)
Transaction costs on financial instruments at fair value through profit or loss		**(82)**	(148)
Dividends and distributions received		**2,992**	779
Interest received		**36**	32
Other income received		**375**	331
Responsible Entity fees paid		**(326)**	(1,316)
Net cash inflow from operating activities	11(a)	**60,918**	39,056
Cash flows from financing activities			
Proceeds from applications by unitholders		**2,017**	27,929
Payments for redemptions by unitholders		**(68,167)**	(61,924)
Net cash outflow from financing activities		**(66,150)**	(33,995)
Net (decrease)/increase in cash and cash equivalents		**(5,232)**	5,061
Cash and cash equivalents at the beginning of the year		**5,249**	188
Cash and cash equivalents at the end of the year		**17**	5,249
Non-cash operating and financing activities	11(b)	**-**	-

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

1 General information

These financial statements cover Perennial Value Microcap Opportunities Trust (“the Scheme”) as an individual entity. The Scheme was constituted on 31 December 2015. The Scheme will terminate on 31 December 2095 unless terminated earlier in accordance with the provisions of the Scheme's Constitution. The Scheme invests in unlisted unit trusts, in accordance with the provisions of the Scheme's Constitution.

The Responsible Entity of the Scheme is Perennial Investment Management Limited ("the Responsible Entity"). The Responsible Entity’s registered office is Level 27, 88 Phillip Street, Sydney, NSW 2000. The Responsible Entity's ABN is 13 108 747 637.

The Scheme is an Australian registered scheme.

The Responsible Entity is incorporated and domiciled in Australia.

The financial statements are presented in the Australian currency.

The financial statements are for the period 1 July 2025 to 30 June 2026 ("the year").

The financial statements were authorised for issue by the Directors on 24 September 2026. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

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 years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

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 are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets. The amount expected to be recovered or settled within twelve months after the end of the year cannot be reliably determined.

Compliance with Australian Accounting Standards and International Financial Reporting Standards

The financial statements of the Scheme comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

New and Amended standards and Interpretations adopted by the Scheme

There are no standards, interpretations and amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2025 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

New accounting standards, amendments and interpretations not yet adopted by the Scheme

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2026 and have not been early adopted in preparing these financial statements.

AASB 18 Presentation and Disclosure in Financial Statements is effective for annual periods beginning on or after 1 January 2027. The standard introduces new requirements relating to the presentation and disclosure of information in financial statements, including specified subtotals in the statement of profit or loss and enhanced disclosure requirements. The Responsible Entity is currently assessing the impact of the standard. Based on the assessment performed to date, no material impact on the recognition and measurement of assets and liabilities is expected, although presentation and disclosure changes may be required upon adoption.

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments is effective for annual periods beginning on or after 1 January 2026. The amendments clarify certain requirements relating to the classification and measurement of financial instruments and introduce additional disclosure requirements for specific financial instruments. The Responsible Entity is currently assessing the impact of these amendments. Based on the assessment performed to date, no material impact on the recognition and measurement of the Scheme’s financial instruments is expected.

The Responsible Entity is continuing to assess the impact of all other standards and amendments that are not yet effective. No other standards or amendments are expected to have a material impact on the Scheme’s financial position or financial performance.

2 Summary of material accounting policies (continued)

(b) Financial instruments

(i) Classification

Classification and measurement of debt securities is driven by the Scheme's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument represent solely payments of principal and interest ("SPPI").

A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell.

All other debt instruments must be recognised at fair value through profit or loss. The Scheme may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Assets

The Responsible Entity 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 Scheme's financial assets are managed and performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Responsible Entity evaluates the information about these financial assets on a fair value basis together with other related financial information.

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

For debt securities, the contractual cash flows are SPPI, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Scheme's business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

The Scheme holds equity securities, property trusts and convertible notes which had previously been designated at fair value through profit or loss. In accordance with *AASB 9 Financial Instruments* these securities are mandatorily classified as fair value through profit or loss.

For other receivables and payables, these balances are classified at amortised cost as they are deemed to be held in a business model with the objective to collect contractual cash flows through to maturity, and whose terms meet the SPPI criterion by virtue of the fact that payments pertain to only principal and/or simple interest and have a maturity of less than 12 months.

Liabilities

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

When the Scheme holds derivatives, in accordance with *AASB 9 Financial Instruments* these securities are mandatorily classified as fair value through profit or loss.

(ii) Impairment

AASB 9 Financial Instruments requires the Scheme to record an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss.

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

For receivables, the Scheme has applied the standard's simplified approach and has calculated ECLs based on lifetime ECLs. The ECL approach is based on the Scheme's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Scheme considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Scheme may also consider a financial asset to be in default when internal or external information indicates that the Scheme is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Scheme.

2 Summary of material accounting policies (continued)

(b) Financial instruments (continued)

(iii) Recognition/derecognition

The Scheme recognises financial assets and financial liabilities on the trade date at which it becomes party to the contractual agreement 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 have been transferred and the Scheme has transferred substantially all of the risks and rewards of ownership.

(iv) 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 financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial 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.

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 end of the year without any deduction for estimated future selling costs. Financial assets and financial liabilities are priced using the last traded market price.

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

The Scheme's financial instruments that are valued based on active markets generally include listed instruments, ranging from listed equity and/or debt securities to listed derivatives, where applicable.

Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, 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 is a market rate at the end of the year applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the year.

There may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Scheme recognises the difference in the statement of comprehensive income to reflect a change in factors, including time, which market participants would consider in setting a price.

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

The Scheme's financial instruments that are valued based on inactive or unquoted markets generally include unlisted instruments from investments in unlisted unit trusts, unlisted equity and/or debt securities where applicable.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when, and only when, there is currently 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.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units can be put back to the Scheme at any time for cash based on the redemption price, which is equal to a proportionate share of the Scheme's net asset value attributable to the unitholders. This amount represents the expected cash flows on redemption of these units.

2 Summary of material accounting policies (continued)

(c) Net assets attributable to unitholders (continued)

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

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Scheme's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Scheme, and it is not a contract settled in the Scheme's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

As at 30 June 2026 and 30 June 2025, net assets attributable to unitholders were classified as equity.

(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, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts, if any, 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 movements in the fair value of these securities represent the Scheme's main income generating activity.

(e) Investment income

Interest income and interest expenses are recognised in the statement of comprehensive income for all financial instruments on an effective interest method basis. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

Dividend income is recognised on the ex-dividend date.

Trust distributions are recognised on an entitlement basis.

Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the year and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend/distribution income. Realised and unrealised gains/(losses) are shown in the notes to the financial statements.

(f) Expenses

All expenses, including Responsible Entity fees are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, the Scheme is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

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

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

The Scheme currently incurs withholding tax imposed by certain countries on investment income and capital gains.

(h) Distributions

In accordance with the Scheme's Constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Scheme.

2 Summary of material accounting policies (continued)

(i) Foreign currency translation

(i) Functional and presentation currency

Items included in the Scheme'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 Scheme competes for funds and is regulated. The Australian dollar is also the Scheme'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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Scheme does not isolate that portion of unrealised gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

(j) Receivables

Receivables are recognised for amounts where settlement has not yet occurred. Receivables are measured at amortised cost and are generally received within 30 days of being recognised as receivables. Given the short-term nature of most receivables, their carrying amounts approximate their fair values.

Impairment

The amount of the impairment loss is recognised in profit or loss 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 profit or loss. Given the limited exposure of the Scheme to credit risk, no material ECL has been recognised. The Scheme only holds receivables with no financing component and that have maturities of less than 12 months.

(k) Payables

Payables include liabilities and accrued expenses owing by the Scheme which are unpaid as at the end of the year.

Trades are recorded on trade date, and normally settled within two business days. Purchases of financial instruments that are unsettled at the end of each year are included in payables.

The distribution amount payable to unitholders as at the end of each year is recognised separately in the statement of financial position.

(l) Applications and redemptions

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

Unit redemption prices are determined by reference to the net assets of the Scheme divided by the number of units on issue.

(m) Goods and Services Tax (GST)

Expenses of various services provided to the Scheme by third parties such as Responsible Entity fees are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the related expense or cost item.

Accounts payable and receivable are stated inclusive of the GST receivable and payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables in the statement of financial position.

Cash flows relating to GST are included in the statement of cash flows on a gross basis.

2 Summary of material accounting policies (continued)

(n) Use of judgements and estimates

The preparation of the Scheme's financial statements requires judgements, estimates and assumptions to be made that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Scheme's financial instruments are valued primarily based on the prices provided by independent pricing services.

When the fair values of the reported financial instruments cannot be derived from active markets, they are determined using prices obtained from inactive or unquoted markets and/or other valuation techniques. The inputs to these valuation techniques (if applicable) are taken from observable markets to the extent practicable. Where observable inputs are not available, the inputs may be estimated based on a degree of judgements and assumptions in establishing fair values.

Where appropriate, the outcomes of the valuation techniques that are used in establishing fair values are validated using prices from observable current market transactions for similar instruments or based on relevant available observable market data.

The determination of what constitutes 'observable' requires significant judgement. Observable data is considered to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

In addition, 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 certain other financial instruments, other payables and receivables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(o) Rounding of amounts

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

3 Interest income

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Cash and cash equivalents	**38**	33
Fixed interest securities	**35**	85
Total interest income	**73**	118

4 Dividend and distribution income

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Distribution income	**3,027**	3,646
Total dividend and distribution income	**3,027**	3,646

5 Net losses on financial instruments at fair value through profit or loss

Net losses recognised in relation to financial assets and financial liabilities at fair value through profit or loss:

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Net losses on financial instruments at fair value through profit or loss	**(2,072)**	(21,098)
Total net losses on financial instruments at fair value through profit or loss	**(2,072)**	(21,098)

6 Net assets attributable to unitholders

As stipulated within the Scheme's Constitution, each unit represents a right to an individual share in the Scheme and does not extend to a right to the underlying assets of the Scheme. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Scheme.

Units are redeemed on demand at the unitholders' option. The 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 year cannot be reliably determined.

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

	Year ended 30 June 2026 No. '000	Year ended 30 June 2025 No. '000	**Year ended 30 June 2026 $'000**	Year ended 30 June 2025 $'000
Balance as at 1 July	**75,812**	107,894	**83,950**	138,759
Applications	**1,655**	20,367	**2,017**	27,929
Redemptions	**(56,085)**	(52,449)	**(65,801)**	(64,303)
Total comprehensive income/(loss) for the year	**-**	-	**1,063**	(18,435)
Closing balance	**21,382**	75,812	**21,229**	83,950

Capital risk management

Net assets attributable to unitholders are considered as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Scheme is subject to daily applications and redemptions at the discretion of unitholders.

6 Net assets attributable to unitholders (continued)

Capital risk management (continued)

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

7 Financial assets at fair value through profit or loss

	As at 30 June 2026 $'000	As at 30 June 2025 $'000
Financial assets at fair value through profit or loss		
Listed equities	**-**	45,424
Unlisted equities	**-**	12,217
Unlisted unit trusts	**21,054**	16,785
Convertible notes	**-**	1,800
Preference shares	**-**	1,999
Total financial assets at fair value through profit or loss	**21,054**	78,225

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 8.

8 Financial risk management

(a) Objectives, strategies, policies and processes

The Scheme's activities may 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 Scheme's risk management focuses on ensuring compliance with the Scheme's PDS and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed. Financial risk management is carried out by the Investment Manager under policies approved by the Board of Directors of the Responsible Entity (''the Board'').

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Scheme's overall risk management framework.

The Responsible Entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ratings analysis for credit risk.

The Investment Manager may use derivatives and other investments, including share price and bond futures, interest rate swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks, and exposures arising from forecast transactions.

8 Financial risk management (continued)

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign exchange risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look-through basis for investments held in the Scheme.

The sensitivity of the Scheme's net assets attributable to unitholders (and profit/(loss)) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Scheme's investments with the relevant benchmarks 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 shocks resulting from changes in the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

At 30 June 2026 and 30 June 2025, the overall market exposures were as follows:

	As at 30 June 2026 $'000	As at 30 June 2025 $'000
Investment securities designated at fair value through profit or loss	**21,054**	78,225
	21,054	78,225

(i) Price risk

Price risk is the risk that the fair value or future cash flows of equities will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

Price risk exposure arises from the Scheme's investment portfolio. The investments are classified on the statement of financial position as at fair value through profit or loss. All 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 Board.

The Scheme's overall market positions are monitored on a regular basis by the Scheme's Investment Manager. This information and the compliance with the Scheme's PDS are reported to the relevant parties on a regular basis as deemed appropriate such as the compliance manager, other key management personnel, compliance committees and ultimately the Board.

At 30 June 2026 and 30 June 2025, if the market prices of the Scheme's financial assets had increased/(decreased) by the percentage indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss)) would have changed by the following amounts, approximately and respectively:

	As at 30 June 2026		As at 30 June 2025	
	Increased by 10% $'000	**Decreased by 10% $'000**	Increased by 10% $'000	Decreased by 10% $'000
Increase/(decrease) in net assets attributable to unitholders (and profit/(loss))	**2,105**	**(2,105)**	7,823	(7,823)

(ii) Foreign exchange risk

There was no significant direct foreign exchange risk in this Scheme as at 30 June 2026 (2025: Nil).

8 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk

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

The Scheme's interest-bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Scheme has established limits on investments in interest-bearing assets, which are monitored on a daily basis. The Scheme may use derivatives to hedge against unexpected increases in interest rates and/or multiple rollover dates for debt instruments to manage repricing risk. The interest rate risk is measured using sensitivity analysis.

The Scheme has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain entities in which the Scheme invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model. Therefore, the sensitivity analysis may not fully indicate the total effect on the Scheme's net assets attributable to unitholders of future movements in interest rates.

The table below summarises the Scheme's exposure to interest rate risks. It includes the Scheme's assets and liabilities at fair values, categorised by the maturity dates:

		Fixed interest rate					
30 June 2026	**Floating interest rate $'000**	**3 months or less $'000**	**4 to 12 months $'000**	**1 to 5 years $'000**	**Over 5 years $'000**	**Non-interest bearing $'000**	**Total $'000**
Assets							
Cash and cash equivalents	**17**	**-**	**-**	**-**	**-**	**-**	**17**
Receivables	**-**	**-**	**-**	**-**	**-**	**171**	**171**
Unlisted unit trusts	**-**	**-**	**-**	**-**	**-**	**21,054**	**21,054**
Total assets	**17**	**-**	**-**	**-**	**-**	**21,225**	**21,242**
Liabilities							
Payables	**-**	**-**	**-**	**-**	**-**	**13**	**13**
Total liabilities	**-**	**-**	**-**	**-**	**-**	**13**	**13**
Net assets attributable to unitholders	**17**	**-**	**-**	**-**	**-**	**21,212**	**21,229**

8 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

		Fixed interest rate					
30 June 2025	Floating interest rate $'000	3 months or less $'000	4 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Non-interest bearing $'000	Total $'000
Assets							
Cash and cash equivalents	5,249	-	-	-	-	-	5,249
Receivables	-	-	-	-	-	3,533	3,533
Listed equities	-	-	-	-	-	45,424	45,424
Unlisted equities	-	-	-	-	-	12,217	12,217
Unlisted unit trusts	-	-	-	-	-	16,785	16,785
Convertible notes	800	-	1,000	-	-	-	1,800
Preference shares	-	-	-	-	-	1,999	1,999
Total assets	6,049	-	1,000	-	-	79,958	87,007
Liabilities							
Payables	-	-	-	-	-	3,057	3,057
Total liabilities	-	-	-	-	-	3,057	3,057
Net assets attributable to unitholders	6,049	-	1,000	-	-	76,901	83,950

As at 30 June 2026, the Scheme holds only unlisted unit trusts. The portfolio's exposure to interest rate risk is not considered to be significant. Due to their specific features and the nature of the underlying assets, the value of these unlisted unit trusts is not materially sensitive to fluctuations in interest rates. Therefore, the Scheme has no significant exposure to interest rate risk. Accordingly, a quantitative sensitivity analysis for interest rate risk has not been prepared.

At 30 June 2025, should interest rates have (decreased)/increased by the basis points indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss)) would have changed by the following amounts, approximately and respectively:

	As at 30 June 2025	
	Increased by 100 basis points $'000	Decreased by 100 basis points $'000
Increase/(decrease) in net assets attributable unitholders (and profit/(loss))	(10)	10

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from investments in debt securities. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Scheme, other than derivatives, the Scheme's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the end of the year.

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 purchase of the securities has been received by the broker.

The Scheme holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

8 Financial risk management (continued)

(c) Credit risk (continued)

Counterparty credit limits and the list of authorised brokers are reviewed by the Responsible Entity on a regular basis.

All contracts are with counterparties included in the Board's Approved Counterparties list.

There was no significant credit risk in the Scheme as at 30 June 2026 (2025: Nil).

(d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet their obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Investment Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Concentrations of risk are managed by industry sector for equity instruments and by counterparty for debt instruments and selected derivatives.

Based on the concentrations of risk that are managed by industry sector, the following investments can be analysed by the industry sector and/or counterparty as at 30 June 2026 and 30 June 2025:

	%
At 30 June 2026	
Balmoral Investors Emerging Companies Fund Foundation Class	**100.00**

	%
At 30 June 2025	
Industrials	29.09
Information Technology	15.36
Perennial Microcap Resources Trust	24.23
Others - aggregated concentration made up of other industries less than 10%	31.32
Total	100.00

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Scheme's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Scheme may be exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are traded in active markets and can be readily disposed of.

The Investment Manager may invest in investments in unlisted unit trusts that expose the Scheme to the risk that the Scheme or Investment Manager of those trusts may be unwilling or unable to fulfil the redemption requests within the timeframe requested by the Scheme.

8 Financial risk management (continued)

(e) Liquidity risk (continued)

The Scheme's investment guidelines are to hold a significant proportion of its investments in liquid assets.

Under the terms of its Constitution, the Responsible Entity has the ability to manage liquidity risk by delaying redemptions to unitholders, if necessary, until the funds are available to pay them.

Units are redeemed on demand at the unitholders' option. The holders of these instruments typically retain them for the medium to long term.

(i) Maturity of non-derivative financial liabilities

The table below analyses the Scheme's financial liabilities into relevant maturity groupings based on the remaining period at the end of the year to the contractual maturity date. It excludes redeemable units, which are classified as equity and are redeemable at the unitholders' option. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month $'000	**1-3 months $'000**	**3-12 months $'000**	**More than 12 months $'000**
At 30 June 2026				
Payables	**13**	**-**	**-**	**-**
Total financial liabilities	**13**	**-**	**-**	**-**

	Less than 1 month $'000	1-3 months $'000	3-12 months $'000	More than 12 months $'000
At 30 June 2025				
Payables	3,057	-	-	-
Total financial liabilities	3,057	-	-	-

The Scheme predominantly invests in liquid assets that it expects to be able to liquidate within 7 days or less. Liquid assets include cash and cash equivalents and net Level 1 Financial Instruments. As at 30 June 2026, these assets amounted to $16,915 (2025: $40,165,398).

(f) Estimation of fair values of financial assets and liabilities

The carrying amounts of all the Scheme's financial assets and financial liabilities at the end of the year approximated their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Scheme's accounting policy on fair value measurement is set out in note 2(b). The methods and assumptions used in the determination of the fair value of each class of financial instruments are also set out in note 2(b).

Note 2(n) outlines further the nature of management's judgements, estimates and assumptions that might have been used in the determination of the fair values of these financial instruments.

(g) Fair value hierarchy

The Scheme is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); quoted prices for similar securities in active and/or inactive markets; market-corroborated inputs; inputs that are developed based on available market data and reflect assumptions that markets would use when pricing similar securities.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

8 Financial risk management (continued)

(g) Fair value hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes ''observable'' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Scheme's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

All fair value measurements disclosed are recurring fair value measurements.

At 30 June 2026	**Level 1**	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Unlisted unit trusts	**-**	**21,054**	**-**	**21,054**
Total	**-**	**21,054**	**-**	**21,054**

At 30 June 2025	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial assets				
Listed equities	34,916	10,508	-	45,424
Unlisted equities	-	-	12,217	12,217
Unlisted unit trusts	-	16,785	-	16,785
Convertible notes	-	-	1,800	1,800
Preference shares	-	-	1,999	1,999
Total	34,916	27,293	16,016	78,225

The pricing for the majority of the Scheme's investments is generally sourced from independent pricing sources, the relevant Investment Managers or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets, e.g. recognised stock exchanges, and therefore classified within level 1, include active listed equities and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The observable inputs include prices and/or those derived from prices. The level 2 instruments include investment-grade corporate bonds, and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Level 2 investments could include those that are not traded in active markets and/or are subject to transfer restrictions (e.g. redemption restrictions). Valuations for these investments may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. Typically, prices of units in unlisted managed investment trusts that are either published on the investment manager's website and/or circulated among market participants as executable quotes are categorised as level 2.

Level 3 instruments could include distressed debt instruments, certain private equity and real estate investments that are not based on market inputs or securities that are in an inactive/illiquid market and are valued using models and internal data. Level 3 investments may be adjusted to reflect illiquidity and/or restrictions; however, the adjustments are not based on available market information. Level 3 instruments also include those that have stale price that is, where the pricing for a particular security has remained static for an extended period of time.

8 Financial risk management (continued)

(g) Fair value hierarchy (continued)

Level 3 valuations are reviewed regularly by the relevant management. The management considers the appropriateness of the valuation inputs, methods and techniques used in the valuations. The valuation inputs are generally sourced from independent third-party pricing sources without adjustment such as stock exchanges, pricing agencies and/or fund managers. Where the inputs are considered stale, unobservable, proprietary or from an inactive market, they are categorised as level 3.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include certain unlisted unit trusts and corporate debt securities. As observable prices are not available for these securities, valuation techniques are used to derive fair value.

Where a valuation model technique is used, the Scheme considers other liquidity, credit and market risk factors, and adjusts the model as deemed necessary.

The Scheme recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

There were no transfers between levels in the fair value hierarchy at the end of the reporting year 30 June 2026.

During the year ended 30 June 2025, certain securities were transferred from Level 1 to Level 2 as reduced trading volumes and market activity resulted in these securities being assessed as trading in inactive markets.

The following table presents the transfers between levels as at 30 June 2025.

At 30 June 2025	Level 1	Level 2	Level 3
	$'000	$'000	$'000
Transfers between levels 1 and 2:			
Listed equities	(1,716)	1,716	-

The following table presents the movement in level 3 instruments as at the reporting date by class of financial instrument.

At 30 June 2026	**Convertible Notes $'000**	**Unlisted Equities $'000**	**Preference Shares $'000**	**Total $'000**
Opening balance	**1,800**	**12,217**	**1,999**	**16,016**
Sales	**(1,530)**	**(14,234)**	**(1,846)**	**(17,610)**
(Losses)/gains recognised in profit or loss	**(270)**	**2,017**	**(153)**	**1,594**
Closing balance	**-**	**-**	**-**	**-**

At 30 June 2025	Convertible Notes $'000	Unlisted Equities $'000	Preference Shares $'000	Total $'000
Opening balance	1,870	15,507	-	17,377
Purchases	1,000	3,488	1,686	6,174
Sales	-	(1,976)	(3,449)	(5,425)
(Losses)/gains recognised in profit or loss	(1,070)	(4,802)	3,762	(2,110)
Closing balance	1,800	12,217	1,999	16,016

8 Financial risk management (continued)

(g) Fair value hierarchy (continued)

Significant unobservable inputs used in measuring fair value

There were no level 3 instruments as at 30 June 2026.

The following table presents significant unobservable inputs used at 30 June 2025 in measuring financial instruments categorised as level 3 in the fair value hierarchy.

At 30 June 2025	Fair Value $'000	Valuation Techniques	Unobservable input	Sensitivity to change in significant unobservable inputs
Unlisted equities	12,217	Market Approach*	Enterprise value of the underlying investee.	An increase in the enterprise value of the underlying investee would increase fair value; a decrease would reduce fair value.
Preference shares	1,999	Market Approach*	Enterprise value of the underlying investee and rights attaching to the preference shares.	An increase in the enterprise value or expected recovery under the preference share terms would increase fair value; a decrease would reduce fair value.
Convertible notes	1,800	Market Approach*	Expected conversion value of the instrument.	An increase in the expected conversion value of the instrument would increase fair value; a decrease would reduce fair value.

** Valuation assessed by the Responsible Entity's Valuation Committee.*

Effects of the unobservable input on fair value measurement

Although the Scheme believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurement of fair value. For fair value measurements in level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on the net assets attributable to unitholders.

There were no level 3 instruments as at 30 June 2026.

The following table presents significant unobservable inputs used at 30 June 2025 in measuring financial instruments categorised as level 3 in the fair value hierarchy.

30 June 2025	Change in variable 5%/(5%)	Favourable $'000	(Unfavourable) $'000
Unlisted equities	Enterprise value of the underlying investee.	611	(611)
Preference shares	Enterprise value of the underlying investee and rights attaching to the preference shares.	100	(100)
Convertible notes	Expected conversion value of the instrument.	90	(90)
Total		801	(801)

Sensitivity has been calculated using a possible increase/(decrease) of 5% in the significant unobservable input while holding all other assumptions constant.

9 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor to the Scheme:

	Year ended 30 June 2026 $	Year ended 30 June 2025 $
KPMG		
Audit and other assurance services		
Audit and review of financial statements	**12,012**	11,550
Other regulatory audit services	**3,276**	3,150
Total remuneration for audit and other assurance services	**15,288**	14,700
Taxation services		
Taxation compliance services	**5,620**	5,370
Total remuneration for taxation services	**5,620**	5,370
Total remuneration of KPMG	**20,908**	20,070

Auditor's remuneration is paid by the Responsible Entity.

10 Related party transactions

(a) Responsible Entity

The Responsible Entity of Perennial Value Microcap Opportunities Trust is Perennial Investment Management Limited.

The immediate parent entity and the controlling entity of Perennial Investment Management Limited is Perennial Value Management Limited.

(b) Directors

Key management personnel includes persons who were Directors of Perennial Investment Management Limited at any time during the year.

(c) Other key management personnel

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

(d) Key management personnel unit holdings

As at 30 June 2026 and 30 June 2025, the following transactions occurred with key management personnel during the year:

	No. of units held opening (Units)	**No. of units held closing (Units)**	**No. of units acquired (Units)**	**No. of units disposed (Units)**
30 June 2026	**837,690**	**20,350**	**-**	**817,340**
30 June 2025	837,690	837,690	-	**-**

(e) Key management personnel compensation

Key management personnel are remunerated by Perennial Value Management Limited. Payments made from the Scheme to Perennial Investment Management Limited do not include any amount that is directly attributable to key management personnel remuneration.

10 Related party transactions (continued)

(f) Key management personnel loan disclosures

The Scheme 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 year.

(g) Other transactions within the Scheme

From time to time, Directors of the Responsible Entity, or their related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors and are trivial in nature.

(h) Responsible Entity's/Investment Manager's fees and other transactions

The Responsible Entity fee charged by the Responsible Entity for the year was 0.80% per annum (2025: 1.20%).

Under the terms of the Scheme's Constitution, the Responsible Entity is entitled to receive performance fees if certain predetermined criteria are met.

The transactions during the year and amounts payable at year end between the Scheme and the Responsible Entity/Investment Manager were as follows:

	Year ended 30 June 2026 $	Year ended 30 June 2025 $
Responsible Entity fees for the year	**258,572**	1,284,038
Total fees payable to the Responsible Entity at year end	**-**	96,841

(i) Related party unitholdings

As at 30 June 2026 and 30 June 2025, other than the key management personnel unitholdings disclosed in section (d) above, there were no related parties or other Scheme's managed by Perennial Investment Management Limited that held units in the Scheme.

(j) Investments

The Scheme held investments in the following scheme which is also managed by Perennial Investment Management Limited or its related parties:

	Fair value of investment		**Interest held**		**Distributions received/receivable**	
	30 June 2026 $	30 June 2025 $	**30 June 2026 %**	30 June 2025 **%**	**30 June 2026 $**	30 June 2025 $
Balmoral Investors Emerging Companies Fund Foundation Class	**21,053,771**	-	**50.43**	-	**34,785**	-
Perennial Microcap Resources Trust	**-**	19,652,117	**-**	58.21	**-**	2,866,959

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

	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
(a) Reconciliation of profit/(loss) to net cash inflow from operating activities		
Profit/(loss) for the year	**1,063**	(18,435)
Proceeds from sale of financial instruments at fair value through profit or loss	**142,399**	114,691
Payments for the purchase of financial instruments at fair value through profit or loss	**(84,476)**	(75,313)
Net losses on financial instruments at fair value through profit or loss	**2,072**	21,098
Net change in receivables and other assets	**(43)**	(2,936)
Net change in payables and other liabilities	**(97)**	(49)
Net cash inflow from operating activities	**60,918**	39,056

(b) Non-cash financing activities
There were no non-cash financing activities during the year

12 Events occurring after the reporting year

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

13 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2026 and 30 June 2025.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 6 to 28 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 Scheme's financial position as at 30 June 2026 and of its performance, as represented by the results of its operations and cash flows, for the year ended on that date.

(b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

(c) the financial statements are in accordance with the Scheme's Constitution.

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

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

Anthony Patterson

Director

Perennial Investment Management Limited

Sydney

24 September 2026

Independent Auditor's Report

To the unitholders of Perennial Value Microcap Opportunities Trust

Opinion

We have audited the ***Financial Report*** of Perennial Value Microcap Opportunities Trust (the Scheme).

In our opinion, the accompanying ***Financial Report*** of Perennial Value Microcap Opportunities Trust 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 year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises the:

- 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 year then ended;
- Notes, including material accounting policies; and
- 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 Perennial Investment Management Limited (the Responsible Entity) in accordance with the *Corporations Act 2001* and the relevant ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in the Scheme's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Perennial Investment Management Limited (the Responsible Entity) are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' 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. 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.

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Responsibilities of Directors for the Financial Report

The Directors of Perennial Investment Management Limited (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 this 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.

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Luke Sullivan
Partner

Melbourne
24 September 2026