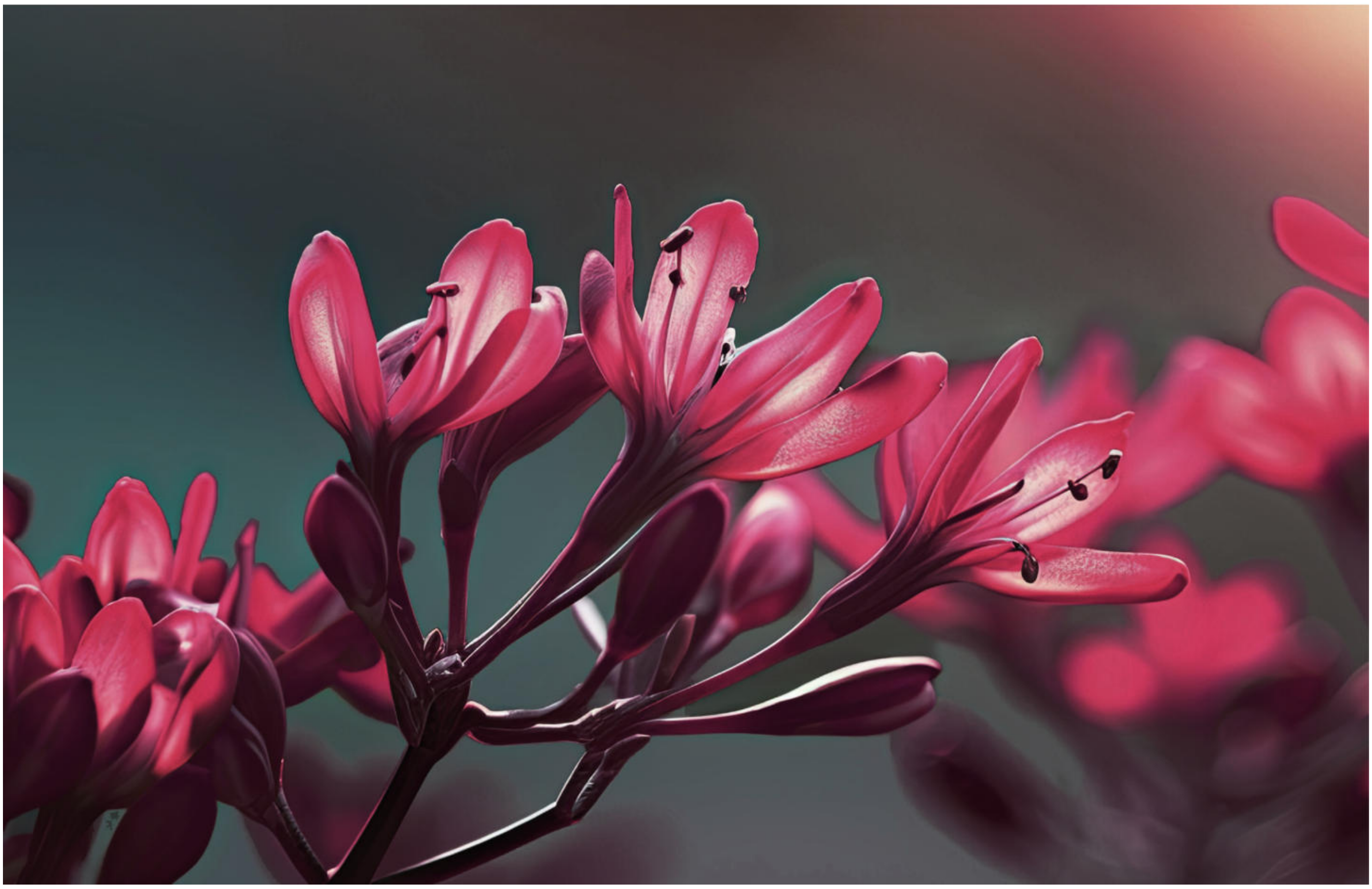
Airlie
FUNDS MANAGEMENT



Airlie Small Companies Fund

Annual Report
For the year ended 30 June 2026

ABN 22 547 357 073

Contents

Directors' Report

for the year ended 30 June 2026

The Directors of Magellan Asset Management Limited ("MAM"), the Responsible Entity of Airlie Small Companies Fund (the "Fund") present their annual report on the Fund for the year ended 30 June 2026 and the auditor's report thereon.

1. Directors

The following persons were Directors of MAM during the period and up to the date of this report:

		Appointed	Resigned
Sophia Rahmani	Managing Director and Executive Chair[1]	13 May 2024	
Jen Driscoll	Executive Director	1 November 2025	
Sam Mosse	Executive Director	1 November 2025	
David Dixon	Non-Executive Director	1 November 2022	1 November 2025
John Eales AM	Non-Executive Director	1 July 2017	1 November 2025
Andrew Formica	Non-Executive Director	26 July 2023	1 November 2025
Robert Fraser	Non-Executive Chairman	23 April 2014	1 November 2025
Cathy Kovacs	Non-Executive Director	6 November 2023	1 November 2025
Hamish McLennan	Non-Executive Director	1 March 2016	1 November 2025
Deborah Page AM	Non-Executive Director	3 October 2023	1 November 2025

1 Ms Rahmani was appointed Executive Chair on 1 November 2025.

2. Principal activity

The Fund is a registered managed investment scheme domiciled in Australia, with the principal place of business at Level 36, 25 Martin Place, Sydney, New South Wales, 2000.

MAM, as Responsible Entity, is responsible for overseeing the operations of the Fund. MAM is also Investment Manager, responsible for selecting and managing the assets of the Fund.

The Fund is primarily invested in companies listed on an Australian securities exchange which, at the time they are first invested, are not included in the S&P/ASX 100 Index and have a minimum market capitalisation of $50 million (Australian Small Companies). The Fund typically holds 20-40 stocks and will also have some exposure to cash and cash equivalents. The Fund's primary investment objective is to provide long-term capital growth, after fees, and income through investment in "Australian small companies" (as detailed in the Product Disclosure Statement ("PDS"), dated 17 December 2025).

On 27 July 2026, the Responsible Entity resolved to terminate the Fund and return to investors their capital and ceased the issue and withdrawal of units. Commencing on this date, the Responsible Entity commenced an orderly process to wind-up the Fund. The payment of net proceeds from the realisation of the Fund's assets to investors is expected to be made on or around 31 August 2026. Refer to Section 7 for further details.

3. Significant changes in state of affairs

There were no significant changes in the state of affairs of the Fund during the period. On 27 July 2026, the Responsible Entity resolved to terminate the Fund. Refer to Section 7 for further details.

4. Review of financial results and operations

4.1. Financial results for the period

The performance of the Fund, as represented by the results of its operations for the periods ended 30 June, was as follows:

	30 Jun 2026	30 Jun 2025
Results		
Total net investment income/(loss) ($'000)	**(1,733)**	2,959
Total expenses ($'000)	**(326)**	(336)
Profit/(loss) ($'000)	**(2,059)**	2,623
Distribution		
Distribution paid and payable ($'000)	**1,664**	730
Distribution paid and payable (CPU)[1]	**23.50**	12.30
Unit Price		
Unit price (net asset value) (ex-distribution) ($)	**4.0255**	4.5216
Redemption unit price (ex-distribution) ($)	**4.0153**	4.5103

1 Cents per unit.

4.2. Total indirect cost ratio

The total indirect cost ratio ("ICR") is the ratio of the Fund's actual management costs over the average portfolio value expressed as a percentage. Management costs, accrued within the Fund's unit prices on a daily basis, include management and performance fees but do not include transactional and operational costs such as brokerage or foreign withholding tax.

	30 Jun 2026 %	30 Jun 2025 %
Management fee	**0.98**	0.98
Performance fee	**-**	0.76
Total indirect cost ratio	**0.98**	1.74

4.3. Performance returns

The performance returns have been calculated using the redemption unit price for the Fund, which is after fees and expenses, assuming the reinvestment of distributions. The returns are calculated daily, compounded to produce longer period returns.

	30 Jun 2026 %	30 Jun 2025 %
Growth return[1]	**(11.0)**	11.6
Distribution return[2]	**5.0**	3.1
Total return[3]	**(6.0)**	14.7

1 The Growth return is calculated daily as a percentage by dividing the unit price (ex-distribution) by the previous day's unit price (ex-distribution) minus 1; the daily Growth returns are then compounded to produce longer period returns.
2 The Distribution return is calculated as a percentage by subtracting the Growth return from the Total Return.
3 The Total Return is calculated daily as a percentage by dividing the unit price (cum-distribution) by the previous day's unit price (ex-distribution) minus 1; the daily Total Returns are then compounded to produce longer period returns.

5. Interests in the Fund

The movement in units on issue in the Fund is disclosed in Note 8 to the Financial Statements.

6. Likely developments and expected results of operations

Following the decision to terminate the Fund on 27 July 2026, the Responsible Entity proceeded with an orderly process of realising the remaining investments in the Fund and closing the Fund in accordance with the requirements of the Fund Constitution and the Corporations Act 2001. Refer to Section 7 for further details.

Directors' Report

for the year ended 30 June 2026

7. Subsequent events

On 27 July 2026, the Responsible Entity resolved to terminate the Fund and return to investors their capital. As a result, on this date, the Fund commenced the wind-up process and proceeded with an orderly process of realising the remaining investments in the Fund and closing the Fund in accordance with the requirements of the Fund Constitution and the Corporations Act 2001. As of the date of this report, the Responsible Entity has returned capital to investors.

Other than the items disclosed throughout this Directors' Report, there have been no other matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial periods.

8. Rounding of amounts

The Fund is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 and consequently amounts in the Directors' Report have been rounded to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases, the nearest dollar.

9. Indemnification and insurance of directors and officers

The Directors and Officers of the Responsible Entity in office are insured to the extent permitted by law for losses, liabilities, costs and charges in defending any legal proceedings arising out of their conduct while acting in their capacity as Directors and Officers of the Responsible Entity, other than for conduct involving a wilful breach of duty in relation to the Responsible Entity.

During the period, MAM paid an insurance premium to insure the Directors and Officers of the Responsible Entity. The terms of the contract prohibit the disclosure of the premiums paid.

10. 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 6.

This report is made in accordance with a resolution of the Directors of the Responsible Entity.

Sophia Rahmani
Managing Director

Sydney, 28 August 2026

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

To the Directors of Magellan Asset Management Limited as the Responsible Entity of Airlie Small Companies Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of Airlie Small Companies Fund 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

Nic Buchanan

Partner

Sydney

28 August 2026

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2026

	Note	30 Jun 2026 $'000	30 Jun 2025 $'000
Investment income			
Dividend and distribution income		**664**	634
Interest income		**78**	69
Net change in fair value of investments		**(2,475)**	2,254
Other income		**-**	2
Total net investment income/(loss)		**(1,733)**	2,959
Expenses			
Management fees	9	**299**	178
Performance fees		**-**	138
Transaction costs		**17**	14
Withholding tax on dividend and distribution income		**10**	6
Total expenses		**326**	336
Profit/(loss)		**(2,059)**	2,623
Other comprehensive income		**-**	-
Total comprehensive income/(loss)		**(2,059)**	2,623

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Financial Position

as at 30 June 2026

	Note	30 Jun 2026 $'000	30 Jun 2025 $'000
Assets			
Cash and cash equivalents	3	**2,597**	2,265
Receivables	5	**404**	30
Financial assets at fair value through profit or loss	6	**28,514**	25,351
Total assets		**31,515**	27,646
Liabilities			
Distributions payable	2	**39**	671
Payables	7	**27**	114
Total liabilities		**66**	785
Total unitholders' equity		**31,449**	26,861

The above Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Changes in Equity

for the year ended 30 June 2026

	Note	30 Jun 2026 $'000	30 Jun 2025 $'000
Unitholders' equity at the beginning of the period		**26,861**	**3,783**
Transactions with unitholders in their capacity as owners:			
Units issued		**6,918**	**21,005**
Units issued under Distribution Reinvestment Plan		**2,027**	**180**
Units redeemed		**(634)**	**-**
Distributions paid and payable	2	**(1,664)**	**(730)**
Total transactions with unitholders		**6,647**	**20,455**
Profit/(loss)		**(2,059)**	**2,623**
Other comprehensive income		**-**	**-**
Total comprehensive income/(loss)		**(2,059)**	**2,623**
Total unitholders' equity at the end of the period		**31,449**	**26,861**

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Cash Flows

for the year ended 30 June 2026

	Note	30 Jun 2026 $'000	30 Jun 2025 $'000
Cash flows from operating activities			
Purchase of investments		**(15,695)**	(23,262)
Proceeds from sale of investments		**9,683**	3,736
Dividends and distributions received (net of withholding tax)		**652**	624
Interest received		**76**	63
Other income received		**-**	2
Management and performance fees paid		**(382)**	(257)
Transaction costs paid		**(17)**	(14)
Net cash inflow/(outflow) from operating activities	4	**(5,683)**	(19,108)
Cash flows from financing activities			
Receipts from issue of units		**6,918**	21,025
Payment for redemption of units		**(634)**	-
Distributions paid		**(269)**	(19)
Net cash inflow/(outflow) from financing activities		**6,015**	21,006
Net increase/(decrease) in cash and cash equivalents		**332**	1,898
Cash and cash equivalents at the beginning of the period		**2,265**	367
Cash and cash equivalents at the end of the period	3	**2,597**	2,265

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

Notes to the Financial Statements

for the year ended 30 June 2026

Overview

The Fund is a registered managed investment scheme under the *Corporations Act 2001*. In accordance with the Fund's Constitution, it commenced on the date that the first unit was issued, on 31 March 2023. The Fund will terminate on the day immediately preceding the 80th anniversary of the Date of Commencement, unless terminated earlier in accordance with the provisions of the Fund's Constitution.

MAM is the Responsible Entity of the Fund.

This financial report was authorised for issue by the Directors of the Responsible Entity on 28 August 2026. The Directors have the power to amend and reissue this financial report.

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

1. Basis of preparation

This general purpose financial report is presented in Australian Dollars and has been prepared in accordance with the *Corporations Act 2001,* Australian Accounting Standards ("AASB") and Interpretations issued by the Australian Accounting Standards Board, other mandatory professional reporting requirements and the Fund's Constitution. The financial report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The Fund's investments are managed on a single portfolio basis and in one business segment being equity investment, as well as in one geographic segment being Australia.

The accounts are presented on a liquidation basis as a result of the Board of Directors of the Responsible Entity's decision on 27 July 2026 to wind-up the Fund. In accordance with the liquidation basis, the Fund estimated and accrued all liabilities expected to be incurred as part of the wind-up of the Fund. Additionally, all assets are stated at their fair value unless otherwise stated and all liabilities at the present value of the amounts expected to be paid. There has been no significant remeasurement of any amounts in the Financial Statements and therefore there has been no financial impact of applying the liquidation basis of accounting on the carrying values of the Fund's assets and liabilities at 30 June 2026.

All amounts in the financial statements are rounded to the nearest thousand dollars ($'000) or in certain cases, the nearest dollar, unless otherwise stated in accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183.

1.1. Material accounting policies

The accounting policies adopted in the preparation of this financial report are contained within the notes to which they relate. The policies adopted in the preparation of this financial report are consistent with those of the previous financial period.

The Fund has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective at balance date.

New standards, amendments and interpretations effective after 1 July 2026 and have not been adopted

A number of new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2026 reporting period and have not been early adopted in preparing these financial statements.

- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments [AASB 7 & AASB 9] (effective for reporting periods beginning on or after 1 January 2026). This standard amends the requirements related to settling financial liabilities using electronic payment system and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features.
- AASB 18 Presentation and Disclosure in Financial Statements will replace AASB 101 Presentation of Financial Statements. The standard introduces a revised structure for the Statement of Profit or Loss and Other Comprehensive Income, including newly defined subtotals, enhanced disclosure requirements for management-defined performance measures, and new aggregation and disaggregation requirements for financial information.

1.2. Functional and presentation currency

Balances included in the Fund's financial statement 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.

1.3. Investment income

Dividend and distribution income

Dividend and distribution income is recognised on the applicable ex-dividend/distribution date gross of withholding tax, which is recorded as an expense in profit or loss. Dividends and distributions received are presented net of withholding tax in the Statement of Cash Flows.

Net change in fair value of investments

Realised and unrealised gains and losses on investments measured at fair value through profit or loss are recognised in the Statement of Profit or Loss and Other Comprehensive Income. The net change in fair value does not include dividend and distribution income.

Interest income

Interest income is recognised on an accrual basis using the effective interest rate method.

1.4. Expenses

All expenses are recognised in profit or loss on an accruals basis.

1.5. Income tax

On 5 May 2016, the Attribution Managed Investment Trust ("AMIT") regime was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The AMIT regime allows managed investment trusts that meet certain requirements to make an irrevocable choice to be an AMIT. The Fund elected into the AMIT regime from the date of registration.

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

1.6. Goods and services tax

The goods and services tax ("GST") incurred on the costs of various services provided to the Fund by third parties, such as custodial services and management fees, has been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC") at a rate of 55%-75% and is also eligible to recover GST on offshore transactions. Management fees and other expenses have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included in the Statement of Financial Position as a receivable or payable. Cash flows are included in the Statement of Cash Flows on a gross basis.

1.7. Critical accounting estimates and judgements

The preparation of the Fund's financial statements required the Directors to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. The Directors base their judgements and estimates on historical experience and various other factors they believe to be reasonable under the circumstances, but which are inherently uncertain and unpredictable. As a result, actual results could differ from those estimates.

Where listed equities have no active market, the Directors determine fair value with reference to external observable information and conditions existing at balance date. Fair values may, however, move materially with movements in market prices (refer Note 10). As all investments are valued with reference to listed quoted prices, they are not subject to significant judgement or complexity.

Notes to the Financial Statements

for the year ended 30 June 2026

2. Distributions to unitholders

Distributions are determined by the Responsible Entity of the Fund and are payable as set out in the Fund's PDS. Distributable income includes capital gains arising from the disposal of financial assets and liabilities. Unrealised gains and losses on financial assets and liabilities that are recognised as income are transferred to unitholders' equity and are not assessable or distributable until realised. Net realised capital losses and tax losses are not distributed to unitholders but are retained to be offset against any realised capital gains and future assessable income respectively. The Responsible Entity may attribute an amount to a unitholder on redemption.

The Fund intends to pay a cash distribution semi-annually for the periods ended June and December.

The distribution for the period ended 30 June is as follows:

	$'000	CPU	Date Paid
Period ended 30 June 2026			
Interim distribution paid	**1,625**	**23.00**	**20 Jan 2026**
Final distribution payable	**39**	**0.50**	**21 Jul 2026**
Total distributions paid/payable	**1,664**	**23.50**	

	$'000	CPU	Date Paid
Period ended 30 June 2025			
Interim distribution paid	59	1.00	17 Jan 2025
Final distribution payable	671	11.30	21 Jul 2025
Total distributions paid/payable	730	12.30	

Distributions to unitholders are recognised directly in equity and presented in the Statement of Changes in Equity. A distribution payable is recognised in the Statement of Financial Position where the distribution has been declared but remains unpaid at balance date.

3. Cash and cash equivalents

	30 Jun 2026 $'000	30 Jun 2025 $'000
Cash at bank - denominated in Australian Dollars	**2,597**	2,265
Total cash and cash equivalents	**2,597**	2,265

Cash and cash equivalents include cash at bank and other short term and highly liquid financial assets that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

4. Reconciliation of operating cash flows

	30 Jun 2026 $'000	30 Jun 2025 $'000
Reconciliation of net cash flows from operating activities		
Profit/(loss)	**(2,059)**	2,623
Net change in fair value of investments	**2,475**	(2,254)
Purchase of investments	**(15,695)**	(23,262)
Proceeds from sale of investments	**9,683**	3,736
Net (increase)/decrease in receivables	**-**	(18)
Net increase/(decrease) in payables	**(87)**	67
Net cash inflow/(outflow) from operating activities	**(5,683)**	(19,108)
Non-cash investing and financing activities		
Distributions reinvested into units in the Fund	**2,027**	180

5. Receivables

	30 Jun 2026 $'000	30 Jun 2025 $'000
Dividend and distribution receivable	**13**	11
Interest receivable	**9**	7
Recoverable GST	**8**	12
Due from brokers - receivable for securities sold	**374**	-
Total receivables	**404**	30

Receivables comprise amounts due from brokers for sales of assets unsettled at balance date, dividends and trust distributions declared but not yet received, and reclaimable taxes. They are recognised and carried at amortised cost using the effective interest rate method and adjusted for changes in foreign exchange rates where applicable. A provision is deducted from receivables for uncollectible amounts based on expected credit losses, if applicable. Expected credit losses are calculated as the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate. The Fund applies the simplified approach for receivables whereby the loss allowance is based on lifetime expected credit losses at each balance date.

At balance date, the Fund's receivables, excluding recoverable GST, were due within 0 to 30 days (June 2025: 0 to 30 days). Recoverable GST is due within 30 to 90 days (June 2025: 30 to 90 days). No amounts are impaired or past due at 30 June 2026 or 30 June 2025.

6. Financial assets at fair value through profit or loss

The Fund classifies its equity securities as financial assets and liabilities at fair value through profit or loss.

The Fund discloses the fair value measurements of financial assets and financial liabilities using a three-level fair value hierarchy to reflect the source of valuation inputs used when determining the fair value as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of these securities is based on the closing price for the security as quoted on the relevant exchange.
- Level 2: valuation techniques using observable inputs either directly (as prices) or indirectly (derived from prices). The fair value of foreign currency forward contracts is derived using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
- Level 3: valuation techniques using non-market observable inputs.

Details of investments

	30 Jun 2026 $'000	30 Jun 2025 $'000
Investments (Level 1)		
Australian listed equity securities	**28,514**	25,351
Total investments	**28,514**	25,351

The Fund does not hold any level 2 or 3 assets. There have been no transfers between any of the three levels in the hierarchy during the period and the Fund's policy is to recognise transfers into and out of fair value hierarchy levels as at balance date.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value, which in the case of the Fund is the transaction price. Brokerage costs are expensed immediately in the profit or loss. Subsequent to initial recognition, all financial assets and liabilities classified at fair value through profit or loss are measured at fair value. Changes in fair value are recognised in profit or loss. The net change in fair value does not include dividend or distribution income.

Regular way purchases and sales are recognised on trade date, being the date the Fund commits to purchase or sell the asset. Financial assets are derecognised when the contractual rights to the cash flows from the assets expire or are transferred. A transfer occurs when substantially all the risks and rewards of ownership are passed to a third party. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The fair value of equity securities traded in active markets is based on their quoted market prices at balance date without any deduction for estimated future selling costs. The quoted market price used for securities held by the Fund is the closing price for the security as quoted on the relevant stock exchange. If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques including recent arm's length market transactions, reference to the current fair value of other instruments that are substantially the same, discounted cash flow techniques, option pricing models or any other valuation techniques commonly used by market participants.

7. Payables

	Note	30 Jun 2026 $'000	30 Jun 2025 $'000
Management fees payable	9	**27**	23
Performance fees payable	9	**-**	91
Total payables		**27**	114

Payables comprise trade creditors and accrued expenses owing by the Fund at balance date. Amounts due to brokers relating to the purchase of investments are usually settled between two and five days after trade date. Payables and accruals are recognised at amortised cost, at the point when the Fund becomes obliged to make payments in respect of the purchase of these goods and services.

At balance date, all payables mature in 0 to 90 days (June 2025: 0 to 90 days).

8. Unitholders' equity

	30 Jun 2026 No. of Units '000	30 Jun 2025 No. of Units '000
Units on issue		
Opening balance	**5,941**	934
Units issued	**1,562**	4,963
Units issued under DRP	**468**	44
Units redeemed	**(158)**	-
Units on issue at the end of the Period	**7,813**	5,941

Units

Applications received for units in the Fund are recorded net of entry fees. Redemptions from the Fund are recorded gross of exit fees. The Fund recognises units issued or redeemed when settled, which is trade date.

Each unit confers upon the unitholder an equal interest in the Fund and is of equal value to other units in the Fund. A unit does not confer upon the holder any interest in any particular asset or investment of the Fund. The rights of unitholders are contained in the Fund's Constitution. The rights of unitholders in the Fund include:

- the right to redeem units, subject to restrictions disclosed in the Fund's PDS;
- the right to receive a distribution determined in accordance with the Fund's Constitution;
- the right to attend and vote at meetings of unitholders; and
- the right to participate in the termination and winding up of the Fund.

There may be other circumstances where withdrawals from the Fund are suspended for up to 28 days, including where:

- it is impracticable for the Responsible Entity, or the Responsible Entity is unable, to calculate the NAV of the Fund;
- the payment of withdrawal proceeds involves realising a significant portion of the Fund's assets which would, in the Responsible Entity's opinion, result in remaining investors bearing a disproportionate amount of capital gains tax or expenses, or suffering any other disadvantage or diminution of the value of units held;
- the Responsible Entity reasonably considers it would be in the interests of investors, or it is otherwise permitted by law; or
- the Responsible Entity receives withdrawal requests of an aggregate value that in its reasonable estimate exceeds 5% of the Fund's assets.

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

9. Related parties

Responsible Entity

The Responsible Entity of the Fund is MAM. MAM is a wholly-owned subsidiary of Magellan Financial Group Ltd ("MFG") (ASX code: MFG), the immediate and ultimate parent entity of the Responsible Entity and both are considered to be related parties of the Fund.

Key management personnel

Key management personnel ("KMP") are those persons or corporate entities who have authority and responsibility for planning, directing and controlling the activities of the Fund. The Responsible Entity is responsible for managing the activities of the Fund and its Directors considered to be a KMP. The Fund does not employ personnel in their own right. The Fund did not pay any compensation to the Directors of the Responsible Entity.

Responsible Entity fees

Compensation is paid to the Responsible Entity in the form of fees as follows:

Management fees

The Responsible Entity is entitled to receive management fees from the Fund for managing the assets and overseeing the operations of the Fund. The management fee is 0.98% per annum (net of any applicable reduced input tax credits) of the value of the Fund, calculated daily. The Responsible Entity pays operating expenses of the Fund, such as audit and tax compliance fees, distribution costs, investor reporting, custody and fund administration costs. Management fees are calculated daily based on the NAV (before fees) of the Fund reflected in the daily unit prices of the Fund and are payable at the end of each month.

Performance fees

Performance fees are 20% of the excess return of the units of the Fund above the S&P/ASX Small Ordinaries Accumulation Index over each six monthly calculation period ending on 30 June and 31 December of each year. Performance fees crystallise at the end of a calculation period, or when units are redeemed, subject to a performance fee entitlement existing at the date of redemption. The estimated daily unit price of the Fund includes a performance fee accrual equal to the amount that would be payable if it were the end of a calculation period. Further detail of the performance fees can be found in the Fund's PDS.

Total management and performance fees

The fees paid/payable by the Fund are net of any applicable reduced input tax credits (refer Note 1.6). The management and performance fees paid/payable by the Fund are as follows:

	30 Jun 2026 $	30 Jun 2025 $
Management fees	**299,068**	178,115
Performance fees	**-**	138,189
Total fees expensed in the statement of profit or loss and other comprehensive income	**299,068**	316,304
Total fees payable in the statement of financial position	**26,735**	113,699

Transactions with related parties

The number of units held and related transactions during the period by each related party and KMP, including their personally-related parties, in the Fund is as follows:

	30 Jun 2026				30 Jun 2025			
	Acquired/ (Disposed) Number	Holding Number	%[1]	Distribution paid/ payable $'000[2]	Acquired/ (Disposed) Number	Holding Number	%[1]	Distribution paid/ payable $'000[2]
MFG	**429,086**	**5,755,415**	**73.66**	**1,284**	**4,754,900**	**5,326,329**	**89.65**	**655**

[1] Percentage of units on issue at end of the period.
[2] Represents the interim distribution paid and final distribution payable for the period comprising cash paid.

Other transactions with related parties

Transactions between the Fund and related parties are subject to the same terms and conditions as those entered into by other unitholders.

There were no other transactions with related parties or KMP.

10. Capital and financial risk management

Financial risk management

The Fund's investment portfolio primarily comprises listed equity investments. The investment objective of the Fund is to provide long term capital growth and regular income (as detailed in the PDS). The Fund's investing activities expose it to various types of risks including concentration risk, market risk, liquidity risk and credit risk.

Financial risk management is carried out under policies approved by the Responsible Entity. The risk management programme focuses on ensuring compliance with the Fund's PDS and seeks to maximise the returns derived for the level of risk to which the Fund is exposed.

The following disclosures in relation to the various risks of the Fund's portfolio have been based on the Fund's direct holdings.

Concentration risk

Concentration risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. The Fund holds concentrated portfolios of investments, and the returns of the Fund may be dependent upon the performance of individual companies. The concentrated exposure may lead to increased volatility in the Fund's unit price, and also increases the risk of poor performance. The Fund's concentration risk is managed in accordance with the portfolio risk controls for the Fund, which are approved by the MAM Investment Committee.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as equity prices and interest rates.

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. The size and diversification of the portfolio is sufficient to ensure the Fund's returns are not overly correlated to a single company, industry specific or macroeconomic risk, but the returns of the portfolio are not expected to be perfectly correlated to any market or sector index. If equity markets as a whole rise or fall by 5%, the return of the Fund may increase or decrease by different amounts.

For illustrative purposes an increase of 5% in the market prices of each of the Fund's investments held at balance date, assuming all other variables remain constant would have had the following impact on the Fund's profit/(loss) and unitholders' equity:

	30 Jun 2026 $'000	30 Jun 2025 $'000
Impact on unitholders' equity and profit/(loss)	**1,426**	1,268

A decrease of 5% in the market price of each of the Fund's investments would have had an equal but opposite effect.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The primary exposure to interest rate movements arises on the Fund's cash balances. The value of cash balances is sensitive to the Reserve Bank of Australia cash rate.

Interest rate movements have an insignificant impact upon the Fund's recorded net profit or equity.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities on the due date or will be forced to sell financial assets at a value which is less than they are worth.

This risk is managed by the Fund maintaining sufficient cash and cash equivalents to meet its normal operating requirements and holding investments that are traded in an active market and can be readily disposed.

In addition, to manage the Fund's overall liquidity, the Responsible Entity has the discretion to suspend capital withdrawals from the Fund for up to 28 days if it is impracticable for the Responsible Entity or if the Responsible Entity is unable to calculate the NAV of the Fund, the withdrawal request would reasonably require the Responsible Entity to sell 5% or more (by value of the net assets of the Fund), the payment of withdrawals would disadvantage remaining unitholders by imposing a disproportionate share of capital gains tax liabilities, or if the Responsible Entity reasonably considers it to be in the interests of remaining unitholders of the Fund.

(i) Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current and prior year have maturities of less than one month.

(ii) Maturities of derivative financial liabilities

There were no derivative financial liabilities at balance date.

Credit risk

Credit risk refers to the risk that a counterparty will fail to meet its contractual obligations resulting in financial loss to the Fund. Market prices generally take counterparty credit into account and therefore the risk of loss is implicitly provided for in the carrying value of financial assets and liabilities held at fair value.

The Fund's maximum exposure to credit risk is the carrying amount of all cash and cash equivalents, financial assets and receivables recognised in the Statement of Financial Position as well as the value of any financial commitments which the Fund would assume in the event of counterparty default.

The Fund minimises concentrations of credit risk by undertaking transactions with numerous reputable brokers, and by ensuring cash balances are held with and managed by financial intermediaries with acceptable credit ratings as determined by a recognised rating agency. To further mitigate this risk, the credit rating and financial positions of the brokers used by the Fund are regularly monitored. Credit risk relating to outstanding settlements is considered low due to the short settlement periods involved.

The Fund is also exposed to the credit risk of The Northern Trust Company ("NT") which is the appointed custodian of the Fund. In acting as custodian, NT is required to comply with the relevant provisions of the *Corporations Act 2001*, applicable ASIC regulatory guides, legislative instruments and class orders relating to registered managed investment schemes property arrangements with custodians. The credit quality of NT's long term deposit/debt is rated at balance date, by Standard and Poor's as AA- and by Moody's as Aa2 (June 2025: Standard and Poor's as AA- and by Moody's as Aa2).

11. Auditor's remuneration

The following amounts were paid or payable by the Responsible Entity on behalf of the Fund for services provided by the auditor KPMG (2025: Ernst & Young Australia):

	30 Jun 2026 $	30 Jun 2025 $
KPMG Australia		
Audit and review of statutory financial reports	**13,500**	-
Audit of Compliance Plan	**3,075**	-
Ernst & Young		
Audit and review of statutory financial reports	**-**	16,200
Taxation compliance services[1]	**-**	7,000
Total auditor remuneration	**16,575**	23,200
% of non-audit fees paid to auditor	**0.0%**	30.2%

[1] Comprises review of income tax returns and distribution calculations.

12. Contingent assets, contingent liabilities and commitments

At balance date, the Fund has no contingent assets, contingent liabilities or commitments (June 2025: nil).

13. Subsequent events

On 27 July 2026, the Responsible Entity resolved to terminate the Fund and return to investors their capital in the Fund. As a result, on this date, the Fund commenced the wind-up process and proceeded with an orderly process of realising the remaining investments in the Fund and closing the Fund in accordance with the requirements of the Fund Constitution and the Corporations Act 2001. As of the date of this report, the Responsible Entity has returned capital to investors.

Other than the items disclosed throughout this Financial Report, there have been no other matters or circumstances arising after the end of the period that have significantly affected, or may significantly affect, the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial periods.

Directors' Declaration

for the year ended 30 June 2026

In the Directors' opinion,

a. the Financial Statements and Notes set out on pages 7 to 19 are in accordance with the *Corporations Act 2001*, including:

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

   ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001 (Cth)*, International Financial Reporting Standards as disclosed in Note 1 and other mandatory professional reporting requirements; and

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.

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

Sophia Rahmani
Managing Director

Sydney, 28 August 2026

Independent Auditor's Report

To the unitholders of Airlie Small Companies Fund

Opinion

We have audited the ***Financial Report*** of Airlie Small Companies Fund (the Fund).

In our opinion, the accompanying ***Financial Report*** of the Fund gives a true and fair view, including of the Fund'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 Profit or Loss and Other Comprehensive Income for the year then ended;
- Statement of Changes in Equity, and Statement of Cash Flows for the year then ended;
- Notes to the Financial Statements, 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 Fund and Magellan Asset Management Limited (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.

Emphasis of Matter- basis of preparation

We draw attention to Note 1 to the Financial Report, which indicates that the Financial Report has been prepared on a basis other than going concern. The Financial Report is prepared on a basis other than going concern following the resolution to wind up the Fund made by the Board of Directors of the Responsible Entity effective 27 July 2026. The Fund is no longer considered a going concern. Our opinion is not modified in respect of this matter.

Other Information

Other Information is financial and non-financial information in the Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

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 Directors for the Financial Report

The Directors of 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 Fund, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and that is free from material misstatement, whether due to fraud or error
- assessing the Fund'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 Fund or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our 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.

KPMG

KPMG

Nic Buchanan

Partner

Sydney

28 August 2026

Corporate Information

Directors

Sophia Rahmani- Managing Director and Executive Chair
Jen Driscoll
Sam Mosse

Company secretary

Kathy Molla-Abbasi

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Unit registrar

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