Financial Report

Affluence LIC Fund

ARSN 634 532 424

30 June 2026

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DIRECTORY

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The directors of Affluence Funds Management Limited (**AFM**), the Responsible Entity of the Affluence LIC Fund (**the Fund**), present their report for the financial year ended 30 June 2026.

1. Responsible Entity and Investment Manager

AFM has acted as Responsible Entity of the Fund since registration of the Fund with the Australian Securities and Investments Commission as a retail managed investment scheme on 12 July 2019. AFM has also acted as the trustee and investment manager of the Fund since the commencement of the Fund on 5 April 2016.

The Responsible Entity acts as trustee, undertakes management and administration duties for the Fund and monitors the Custodian, which holds the Fund assets on behalf of unitholders. The Responsible Entity also acts as Investment Manager and is responsible for the management and performance of the Fund investment portfolio.

2. Directors and Secretary

The following persons held office as Directors of AFM during the financial year and up to the date of this report unless otherwise indicated:

- Daryl Wilson, Director & Company Secretary.
- Karen Prentis.
- Geoff Cannings.

3. Principal Activity

The Fund's principal activity is to provide investors with:

- Access to a diversified portfolio, mostly comprising ASX listed investment companies and trusts (**LICs**).
- A minimum distribution yield of 5% per annum, paid quarterly.
- A total annualised return after all fees and costs in excess of the ASX 200 Accumulation Index (**ASX200 Index**) over rolling 3-year periods.
- Volatility of returns which is significantly less than the ASX 200 Index, measured over rolling 3-year periods.

4. Review of Operations and Results

The Fund recorded a profit of $2,028,955 during the 2026 financial year (2025: $1,900,348).

The table below shows the Fund's performance after fees and costs against the ASX200 Index over various periods to June 2026.

Fund Performance

To 30 June 2026	3 Months	1 Year	3 Years	5 Years	10 Years	Inception
Distributions	1.9%	6.1%	6.4%	7.2%	7.6%	7.5%
Change in Unit Price (Capital Growth)	-0.8%	1.7%	2.4%	-0.9%	2.8%	2.8%
Affluence LIC Fund Total Return	**1.1%**	**7.8%**	**8.8%**	**6.3%**	**10.4%**	**10.3%**
ASX200 Accumulation Index (AI)	4.0%	6.1%	10.6%	7.8%	9.4%	9.3%
Performance compared to ASX200AI	**-2.9%**	**1.7%**	**-1.8%**	**-1.5%**	**1.0%**	**1.0%**

Total returns are calculated net of fees and costs, using NAV unit prices (excluding buy and sell spreads) and assume the reinvestment of distributions. Returns for periods greater than 1 year are annualised. Past performance is not indicative of future performance. Distributions are not guaranteed. The inception date for the Fund was 5 April 2016.

The Fund, through its LIC investments, provides access to Australian and global equities as well as some exposure to other asset classes. The LICs held by the Fund use a broad range of investment styles and investment strategies.

The Fund delivered total returns (distributions plus change in the unit price) of 7.8% for the 2026 financial year, compared to the ASX200 Index return of 6.1%. Returns since the commencement of the Fund have been 10.3% per annum, compared to the ASX200 Index return of 9.3% per annum. Volatility (variability of returns) since commencement has been 8.5%, compared to 13.4% for the ASX 200 Index.

Returns from the LIC sector in which the Fund invests were lower than average for the year. Discounts to underlying net asset value generally increased for LICs, which negatively affected performance. At balance date, the average discount across the Fund portfolio of LICs was approximately 30%. This discount has the potential to improve substantially in future periods.

At balance date, the Fund held investments in 36 LICs, representing 95% of the Fund's assets. The Fund also held 5% in cash.

Current information on the Fund, including details of the Fund strategy, performance, portfolio, unit pricing and distributions, can be found on the AFM website at www.affluencefunds.com.au/alf/.

5. Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Fund during the financial year except as disclosed in the accompanying financial report.

6. Subsequent Events

Since 30 June 2026, there have been no matters or circumstances not otherwise dealt with in the financial statements that have significantly affected or may significantly affect:

- The Fund's operations in future financial years; or
- The results of those operations in future financial years; or
- The Fund's state of affairs in future financial years.

7. Likely Results and Expected Results of Operations

The Fund's constitution regulates the activities of the Fund. Owing to the limitations on the scope of activities contained in the constitution, future activities of the Fund will be confined to investment in listed and unlisted assets to provide a mixture of income and capital growth to investors.

8. Environmental Regulation

The directors are not aware of any particular and significant environmental regulation under a law of the Commonwealth, State or Territory relevant to the Fund.

9. Distributions Paid or Payable

Distributions paid/payable to unitholders of the Fund for the year ended 30 June 2026 were $1,507,818 (2025: $1,549,389). Distributions payable at balance date were $454,641 (2025: $477,863).

10. Options

No options over unissued units in the Fund have been issued since inception date, and none are on issue at the date of this report.

11. Fees to Responsible Entity

The Responsible Entity does not charge any fixed fees for management of the Fund. Instead, a performance fee of 12.5% of positive returns is payable monthly. Total performance fees paid/payable to the Responsible Entity or its associates during the year were $637,452 (2025: $257,902).

12. Units held by Responsible Entity

No units in the Fund have been issued to the Responsible Entity since the beginning of the financial year, and none are on issue at the date of this report.

During the year, entities related to both AFM and Daryl Wilson acquired nil units (2025: 228,794) and redeemed nil units (2025: nil units) in the Fund. At the end of the year those entities held 299,157 units (2025: 299,157 units) in the Fund.

The largest unitholder in the Fund is the Affluence Investment Fund (**AIF**), a fund managed by AFM. During the year, AIF acquired 416,699 units (2025: 988,007 units) and redeemed 336,678 units (2025: nil units) in the Fund. At the end of the year, AIF held 7,097,125 units (2025: 7,017,103 units) in the Fund, representing 39% (2025: 36%) of the total units on issue.

13. Indemnifying Officers or Auditors

No indemnities have been given during or since the end of the financial year for any person who is or has been an officer or auditor of the Fund. No insurance premiums for insurance provided to the Responsible Entity or the auditors of the Fund have been paid for out of the assets of the Fund.

14. Issued Units

A total of 1,551,177 units in the Fund were issued during the year (2025: 3,250,585 units). A total of 2,870,120 units in the Fund were redeemed during the year (2025: 1,586,163 units redeemed).

There were 18,185,650 (2025: 19,504,593) issued units in the Fund at the end of the financial year.

15. Value of Fund Assets

At balance date, the Fund held investments valued at $23,244,537 (2025: $23,175,787) and net assets attributable to unitholders of $23,982,963 (2025: $25,293,363). This represents net tangible assets of $1.32 (2025: $1.30) per unit, excluding any allowance for disposal costs.

16. Rounding of amounts to the nearest dollar

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

17. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* accompanies this report.

Signed in accordance with a resolution of the directors of Affluence Funds Management Limited.

Daryl Wilson
Director

10 September 2026

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The Directors
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Level 10, 320 Adelaide Street
BRISBANE QLD 4000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2026, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Pitcher Partners

PITCHER PARTNERS

CHERYL MASON
Partner

Brisbane, Queensland
10 September 2026

	Note	**2026 $**	2025 $
Investment income			
Distribution income		**1,493,174**	606,964
Dividend income		**637,679**	662,874
Interest income		**197,308**	104,127
Net change in fair value of investments		**437,943**	885,719
Net investment income		**2,766,104**	2,259,684
Expenses			
Brokerage		**32,979**	37,247
Fund administration costs		**66,718**	64,187
Performance fees	12d	**637,452**	257,902
Total expenses		**737,149**	359,336
Profit attributable to unitholders		**2,028,955**	1,900,348
Other comprehensive income		**-**	-
Total comprehensive income attributable to unitholders		**2,028,955**	1,900,348

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

	Note	2026 $	2025 $
Assets			
Cash and cash equivalents	11a	**1,124,341**	2,473,225
Receivables	5	**284,513**	267,524
Investments at fair value through profit or loss	6	**23,244,537**	23,175,787
Total assets		**24,653,391**	25,916,536
Liabilities			
Payables	7	**215,787**	145,310
Distributions payable	3	**454,641**	477,863
Total liabilities		**670,428**	623,173
Net assets		**23,982,963**	25,293,363
Equity			
Contributed equity	8	**22,094,694**	23,926,231
Retained earnings		**1,888,269**	1,367,132
Total equity		**23,982,963**	25,293,363

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

2026	Note	Contributed Equity $	Retained earnings $	Total equity $
Balance at the beginning of the year		**23,926,231**	**1,367,132**	**25,293,363**
Profit for the year		**-**	**2,028,955**	**2,028,955**
Other comprehensive income		**-**	**-**	**-**
Total comprehensive income		**-**	**2,028,955**	**2,028,955**
Transactions with unitholders in their capacity as unitholders:				
Units issued				
For cash	8	**1,205,717**	**-**	**1,205,717**
Reinvestment of distributions	8	**951,696**	**-**	**951,696**
Redemptions	8	**(3,988,950)**	**-**	**(3,988,950)**
Distributions paid/payable	3	**-**	**(1,507,818)**	**(1,507,818)**
Total transactions with unitholders		**(1,831,537)**	**(1,507,818)**	**(3,339,355)**
Balance at the end of the year		**22,094,694**	**1,888,269**	**23,982,963**

2025				
Balance at the beginning of the year		21,771,740	1,016,173	22,787,913
Profit for the year		**-**	1,900,348	1,900,348
Other comprehensive income		**-**	**-**	**-**
Total comprehensive income		-	1,900,348	1,900,348
Transactions with unitholders in their capacity as unitholders:				
Units issued				
For cash	8	3,299,184	-	3,299,184
Reinvestment of distributions	8	951,960	-	951,960
Redemptions	8	(2,096,653)	-	(2,096,653)
Distributions paid/payable	3	-	(1,549,389)	(1,549,389)
Total transactions with unitholders		2,154,491	(1,549,389)	605,102
Balance at the end of the year		23,926,231	1,367,132	25,293,363

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

	Note	2026 $	2025 $
Cash flows from operating activities			
Dividends received		**637,679**	677,874
Distributions received		**1,279,515**	590,095
Interest received		**195,601**	104,127
Cash payments in the course of operations		**(736,928)**	(358,250)
Net cash provided by operating activities	11(b)	**1,375,867**	1,013,846
Cash flows from investing activities			
Proceeds from sale of investments		**15,718,071**	17,577,781
Payments for investments		**(15,200,745)**	(17,162,972)
Net cash provided by investing activities		**517,326**	414,809
Cash flows from financing activities			
Proceeds from issue of units (includes units not yet issued)		**1,326,217**	2,416,684
Payment of redemptions	8	**(3,988,950)**	(2,096,653)
Payment of distributions		**(579,344)**	(601,251)
Net cash used in financing activities		**(3,242,077)**	(281,220)
Net (decrease)/ increase in cash and cash equivalents		**(1,348,884)**	1,147,435
Cash and cash equivalents at the beginning of the year		**2,473,225**	1,325,790
Cash and cash equivalents at the end of the year	11(a)	**1,124,341**	2,473,225

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

1. Summary of Material Accounting Policies

The material accounting policy information adopted in the preparation of the financial report of the Affluence LIC Fund (**the Fund**) is set out below. The Fund ends on the date determined by the responsible entity or at any earlier time provided by the fund's deed or by law. These policies have been consistently applied to all years presented unless otherwise stated. The financial report includes financial statements for the Fund as an individual entity.

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Fund is a for-profit entity for the purpose of preparing financial statements. The Fund was constituted on 5 April 2016.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets. The fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such it is expected that a portion of the portfolio will be released within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

(i) Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

(ii) Historical cost convention

The financial report is prepared on the historical cost basis except that investments at fair value through profit or loss are measured at fair value. The methods used to measure fair values are discussed below.

(iii) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Fund's functional currency.

(iv) Rounding of amounts

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

(v) Segment information

The Fund operates in one segment, being investment in listed securities. The Fund earns investment income and derives capital appreciation from investment in ASX listed securities in Australia.

(b) Investment income

(i) Dividends and distributions

Dividend and distribution income are recognised on a receivable basis when the right to receive payment is established. For listed investments, this is usually the date the security value is quoted ex dividend/distribution.

(ii) Interest

Interest revenue is recognised as it accrues using the effective interest method.

(c) Income tax

Under current income tax legislation, the Fund is not liable to pay tax provided its taxable income and taxable realised capital gains are distributed to unitholders. Therefore, the liability for capital gains tax that may arise if the assets of the Fund were sold is not accounted for in this report.

(d) Cash and cash equivalents

Cash and cash equivalents include cash at bank, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impaired receivables.

For details about the impairment of trade and other receivables, refer to note 1(f).

1. Summary of Material Accounting Policies (continued)

(f) Financial Instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Fund commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

(ii) Classification of financial assets

Financial assets recognised by the Fund are subsequently measured in their entirety at either amortised cost or fair value

(iii) Classification of financial liabilities

All financial liabilities recognised by the Fund are subsequently measured at amortised cost.

(iv) Investments at fair value through profit or loss

Investments at fair value through profit or loss include ASX listed securities held for trading purposes.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments held at fair value through profit or loss are initially measured at fair value. Subsequent to initial recognition, investments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

For listed investments, the fair value is determined by reference to the final closing price on the relevant market.

(g) Payables

Payables generally represent unpaid liabilities for goods and services provided to the Fund prior to the end of the year. The amounts are usually unsecured and paid within 30-60 days of recognition.

Where the fund has received cash through investment applications but has not yet issued the units to the investor, the funds received are recognised as a payable until the fund has issued the units.

(h) Distributions

Distributions are payable as set out in the Fund's product disclosure statement. Such distributions are recognised as payable when they are determined by the responsible entity of the Fund.

1. Summary of Material Accounting Policies (continued)

(i) Contributed equity

A financial instrument that includes a contractual obligation for the Fund to deliver to each instrument holder their pro rata share of the Fund's net assets on liquidation is classified as an equity instrument (contributed equity) when it has all the following features which are in accordance with AASB 132 *Financial Instruments*:

- The instrument entitles each instrument holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation. The Fund's net assets are those assets that remain after deducting all other claims on the entity's assets. A pro rata share is determined by dividing the net assets of the Fund at the end of its term into units of equal amount and multiplying that amount by the number of units held by the instrument holder.
- The instrument is subordinate to all other classes of financial instruments of the Fund. For this to be the case, the instrument must give the instrument holder no priority over other claims to the assets of the Fund on liquidation and must not need to be converted into another instrument to be in a class of instruments that is subordinate to all other classes of instruments.
- All instruments in the class of instruments must have an identical contractual obligation for the entity to deliver a pro rata share of its net assets on liquidation.

The units issued by the Fund include these features and are therefore classified as equity.

(j) New accounting standards and interpretations

(i) New and amended standards

There are no standards, interpretations or 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 prior periods or will affect the current or future periods.

(ii) New and revised accounting requirements not yet mandatory or early adopted

Certain new accounting standards and amendments have been published that are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the Fund. It is not expected that these new standards or amendments will have a material impact on the entity in future reporting periods.

2. Critical Accounting Estimates and Judgements

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

For the current year and the prior year, the only material estimates made are in regards to the fair value of investments. Information as to how the fair value is determined is contained in note 10(d).

3. Distributions

The Fund paid distributions of 8.05 cents per unit (2025: 8.00 cents per unit).

	2026	2025
	$	$
Distributions paid / payable	**1,507,818**	1,549,389

Distributions payable at balance date of $454,641 (2025: $477,863) relate to the June quarter and were paid in July.

4. Remuneration of Auditor

During the year, the following fees were paid or payable for services provided by the auditor of the Fund.

Audit services		
Pitcher Partners		
Audit and review of the financial report	**18,000**	17,000
Audit of the compliance plan	**9,300**	10,000
	27,300	27,000

Remuneration was paid/payable by the Responsible Entity. There were no fees paid to the auditor for other services.

5. Receivables

Distributions receivable	**281,063**	67,404
GST receivable	**1,743**	1,907
Interest receivable	**1,707**	-
Unsettled trades	**-**	198,213
Receivables	**284,513**	267,524

Past due but not impaired receivables

At balance date, no receivables were past due but not impaired.

Impaired receivables

At balance date, no receivables have been determined to be impaired.

6. Investments at Fair Value Through Profit or Loss

Listed securities at fair value	**23,244,537**	23,175,787
Investments at fair value through profit or loss	**23,244,537**	23,175,787

Fair value measurement

For details about the fair value measurement of the Fund's financial instruments, refer to note 10(d).

7. Payables

	2026	2025
	$	$
Units not yet issued	**155,000**	34,500
Unsettled trades	**54,550**	104,630
Other payables	**6,237**	6,180
Payables	**215,787**	145,310

8. Contributed Equity

	2026		2025	
	Number	**Value**	Number	Value
	#	**$**	#	$
Contributed equity	**18,185,650**	**22,094,694**	19,504,593	23,926,231
Movement in contributed equity during the year				
Balance at the beginning of the year	**19,504,593**	**23,926,231**	17,840,171	21,771,740
Units issued:				
For cash	**852,313**	**1,205,717**	2,519,435	3,299,184
Reinvestment of distributions	**698,864**	**951,696**	731,150	951,960
Units redeemed	**(2,870,120)**	**(3,988,950)**	(1,586,163)	(2,096,653)
Balance at the end of the year	**18,185,650**	**22,094,694**	19,504,593	23,926,231

Units in the Fund entitle the holder to participate in distributions and proceeds on the winding up of the Fund in proportion to the number of and amounts paid on the units held.

Each unitholder present at a meeting in person or by proxy is entitled to one vote. On a poll, each unitholder has one vote for each dollar of the value of the total units they have in the Fund.

Units in the Fund are issued and redeemed at unit prices determined monthly in accordance with the Fund constitution and the Responsible Entity's Unit Pricing Policy.

9. Capital Risk Management

The Fund's capital management strategy seeks to maximise unitholder value through optimising the level and use of capital resources and the mix of debt and equity funding.

The Fund's capital management objectives are to:
- Ensure the Fund complies with capital and distribution requirements of its constitution.
- Ensure sufficient capital resources to support the Fund's operational requirements.
- Continue to support the Fund's creditworthiness.
- Safeguard the Fund's ability to continue as a going concern.

The Responsible Entity of the Fund monitors the adequacy of the Fund's capital requirements as part of its overall strategic plan. The Fund's capital structure is regularly reviewed to ensure distributions to unitholders are made within the stated distribution policy.

The Responsible Entity can alter the Fund's capital mix by:
- Adjusting the amount of distributions paid to unitholders.
- Activating/deactivating the distribution reinvestment plan.
- Selling assets to reduce equity on issue.

10. Financial Risk Management

The Fund's activities expose it to a variety of financial risks, credit risk, liquidity risk and market risk (interest rate risk and price risk). The Fund's overall risk management program focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of the Fund.

The Responsible Entity's management of treasury activities is governed by policies approved by the Directors of the Responsible Entity, who monitor the operating compliance and performance as required. The Board provides principles for overall risk management, as well as policies covering specific areas, such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

The Fund holds the following financial instruments:

	2026 **$**	2025 $
Financial assets		
Cash and cash equivalents (1)	**1,124,341**	2,473,225
Trade and other receivables (1)	**282,771**	265,617
Investments at fair value through profit and loss (2)	**23,244,537**	23,175,787
Total financial assets	**24,651,649**	25,914,629
Financial liabilities		
Trade and other payables (1)	**215,012**	144,889
Distributions payable (1)	**454,641**	477,863
Total financial liabilities	**669,653**	622,752

(1) At amortised costs; and
(2) At fair value through profit or loss

(a) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations under a financial instrument and result in a financial loss to the Fund. The Fund has exposure to credit risk on all financial assets included in its statement of financial position.

The Fund manages this risk by monitoring the credit quality of all financial assets to identify any potential adverse changes in credit quality and regularly monitoring receivables on an ongoing basis.

The Fund holds no significant collateral as security. The fund does not have any significant credit risk exposure to any single counterparties having similar characteristics, other than cash and cash equivalents which are held with high credit quality financial institutions.

The maximum exposure to credit risk as at balance date is the carrying amounts of financial assets recognised in the statement of financial position of the Fund. There are no significant financial assets that have had renegotiated terms that would otherwise have been past due or impaired.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves and finance facilities to meet the ongoing operational requirements of the business. It is the Responsible Entity's policy to maintain sufficient funds in cash and cash equivalents to meet expected near term operational requirements. The Responsible Entity monitors the Fund's cash requirements and raises funds as and when appropriate to meet planned requirements. The Responsible Entity prepares and monitors rolling forecasts of liquidity requirements based on expected cash flow.

At 30 June 2026 and 30 June 2025, all financial liabilities were due within one month.

(c) Market risk

(i) Interest rate risk

The Fund is not exposed to any material interest rate risk. The Fund is exposed to cash-flow interest rate risk through cash deposits, but the exposure is not material. The Fund does not carry any interest bearing liabilities..

(ii) Price risk – listed equity securities

The Fund is exposed to equity price risk in relation to its investments in listed securities. The investments are recognised as financial assets at fair value through profit or loss in the statement of financial position. The price of listed securities is dependent on equity market movements. While the Fund cannot mitigate the risk of general market movements in equity security prices, it reduces risk by management of the overall equities allocation within the investment portfolio, with the aim of ensuring diversification by asset class and, in so doing, minimising volatility.

10. Financial Risk Management (continued)

(iii) Sensitivity analysis – equity securities price risk

The table below details the Fund's sensitivity to movements in the fair value of the Fund's investments at fair value through profit or loss:

	Profit/(loss)		Equity	
	2026	2025	**2026**	2025
	$	$	**$**	$
Equity value of listed security portfolio increases by 5%	**1,162,227**	1,158,789	**1,162,227**	1,158,789
Equity value of listed security portfolio decreases by 5%	**(1,162,227)**	(1,158,789)	**(1,162,227)**	(1,158,789)

(d) Fair value measurement of financial instruments

(i) Fair value hierarchy

Fair value determined by reference to actively trading markets is considered a level 1 fair value measurement.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

(ii) Fair value of investments at fair value through profit or loss

The Fund holds financial instruments measured at fair value, which are investments in ASX listed securities.

The Fund's ASX listed securities of $23.24 million (2025: $23.18 million) comprised listed equity investments of $21.52 million (2025: $21.06 million), listed debt investments of $1.68 million (2025: $2.08 million) and listed options of $0.05 million (2025: $0.04 million). All ASX listed securities are classified as Level 1 fair value measurements under the fair value hierarchy as they are based on quoted (unadjusted) prices in active markets for identical assets.

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 Fund held no other financial instruments at fair value in the current or prior year. Any transfer between levels of fair value hierarchy is made at the most recent value prior to the transfer date, however, there were no transfers during the financial year.

(e) Fair value of other financial instruments not measured at fair value

The carrying amounts of receivables, other current assets, payables, and distributions payable are assumed to approximate their fair values due to their short-term nature.

11. Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year, as shown in the statement of cash flows, is reconciled to the related items in the statement of financial position as follows:

	2026 $	2025 $
Cash at bank	**1,124,341**	2,473,225

(b) Reconciliation of profit to net cash provided by operating activities

Profit attributable to unitholders	**2,028,955**	1,900,348
Net change in fair value of investments	**(437,943)**	(885,719)
Distribution income reinvested	**-**	-
Changes in operating assets and liabilities:		
• (Increase)/decrease in trade and other receivables	**(215,201)**	1,681
• Increase/(decrease) in payables	**56**	(2,464)
Net cash provided by operating activities	**1,375,867**	1,013,846

(c) Other non-cash items

Units issued on reinvestment of distributions	**951,696**	951,960
	951,696	951,960

12. Related Parties

Related parties include directors and other key management personnel of the Responsible Entity and their close family members and any entities they control. They also include any associated entities of the Responsible Entity, such as entities controlled by the Responsible Entity.

All the Fund's transactions with related parties are on normal commercial terms and conditions and at market rates.

(a) Key management personnel

The following persons were Directors and other key management personnel ("KMP") of the Responsible Entity from 1 July 2025 to 30 June 2026, unless otherwise stated:

Affluence Funds Management Limited

Non-executive Directors

Karen Prentis	Director
Geoff Cannings	Director

Executive Director

Daryl Wilson	CEO/Portfolio Manager

There were no key management personnel employed by the Fund at any time during the year.

(b) Remuneration

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

(c) Unitholdings and loans

Entities associated with Daryl Wilson held 299,157 units (2025: 299,157 units) in the Fund at balance date and received distributions of $24,082 (2025: $21,117) during the year.

No other KMPs held any units in the Fund at balance date or during the year.

The Directors and other KMP of the Responsible Entity, including their personally related parties, had no loans payable to or receivable from the Fund during the year.

The Affluence Investment Fund (**AIF**), a registered managed investment scheme for which AFM acts as responsible entity, held 7,097,125 units (2025: 7,017,103 units) in the Fund at balance date and received distributions of $573,179 (2025: $543,843) during the year.

(d) Transactions with the Responsible Entity and associates

	2026 **$**	2025 $
Performance fees	**637,452**	257,902

The Responsible Entity does not charge any fixed ongoing fee for management of the Fund. The Responsible Entity charges a performance fee of 12.5% of cumulative positive total returns of the Fund after recovery of any previous underperformance. The performance fee is calculated and paid by the Fund monthly in arrears.

At balance date, $nil net of recoverable GST (2025: $nil) owing to the Responsible Entity is included in payables in the statement of financial position.

13. Commitments/Contingent liabilities

The Directors of the Responsible Entity are not aware of any material commitments or contingent liabilities.

14. Events occurring after the reporting period

Since 30 June 2026, there have been no matters or circumstances not otherwise dealt with in the financial statements that have significantly affected or may significantly affect:

- The Fund's operations in future financial years; or
- The results of those operations in future financial years; or
- The Fund's state of affairs in future financial years.

In the opinion of the Directors of the Responsible Entity, Affluence Funds Management Limited:

(a) The attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:

- (i) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (ii) Giving a true and fair view of the Fund's financial position as at 30 June 2026 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and

(b) The financial report also complies with International Financial Reporting Standards as disclosed in note 1(a); and

(c) There are reasonable grounds to believe the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Affluence Funds Management Limited.

Daryl Wilson
Director

10 September 2026.

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Independent Auditor's Report to the Members of Affluence LIC Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Affluence LIC Fund ("the Fund"), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

(a) giving a true and fair view of the Fund's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Fund, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information
The directors are responsible for the other information. The other information comprises the information included in the Fund's directors report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Pitcher Partners

PITCHER PARTNERS

J Mason

CHERYL MASON
Partner

Brisbane, Queensland
10 September 2026