FRANKLIN TEMPLETON INVESTMENT FUNDS

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

FRANKLIN TEMPLETON INVESTMENT FUNDS

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FRANKLIN TEMPLETON INVESTMENT FUNDS

DIRECTORY

THE MANAGER
FundRock NZ Limited
Level 2, 1 Woodward Street
PO Box 25003
Wellington 6011, New Zealand
This is also the address of the registered office.

THE SUPERVISOR
Public Trust
Level 2, 22 Willeston Street
Private Bag 5902
Wellington 6140, New Zealand

DIRECTORS OF THE MANAGER
Michael John COURTNEY (resigned 26 March 2026)
Donna Lynne MASON (appointed 26 March 2026)
Rebecca Elizabeth PALMER
Hugh Duncan STEVENS
Jeremy Bruce VALENTINE

AUDITOR
PricewaterhouseCoopers
Level 4, 10 Waterloo Quay
PO Box 243
Wellington 6140, New Zealand

INVESTMENT MANAGER
Franklin Templeton Australia Limited

FUND ADMINISTRATOR & CUSTODIAN
BNP Paribas Fund Services Australasia Pty Ltd, New Zealand branch

BANKERS
ANZ Bank New Zealand Limited ("ANZ")
BNP Paribas

CORRESPONDENCE

All correspondence and enquiries about Franklin Templeton Investment Funds should be addressed to the Manager, FundRock NZ Limited, at the above address.

FRANKLIN TEMPLETON INVESTMENT FUNDS

FundRock NZ Limited (the "Manager") and Public Trust (the "Supervisor") are parties to a master trust deed dated 1 December 2016 and a scheme establishment deed dated 20 November 2017 and amended 30 January 2018 and 10 August 2021 (the "Trust Deed") which sets out the terms and conditions applicable to Franklin Templeton Investment Funds (the "Scheme") and funds established by the Manager and the Supervisor within that Scheme.

The Trust Deed provides that each fund is to be established by the Manager and the Supervisor entering into an Establishment Deed setting out the specific terms and conditions relating to that fund.

STATEMENT BY THE MANAGER

In our opinion, the accompanying financial statements and notes are drawn up in accordance with generally accepted accounting practice in New Zealand and present fairly the financial position of the Funds as at 31 March 2026, and of the results of their financial performance and cash flows for the year/period ended on that date in accordance with the requirements of the Trust Deed and fund establishment deeds dated 20 November 2017 (as amended) and 12 December 2024.

It is believed that there are no circumstances that may materially and adversely affect any interest of the Unitholders.

For and on behalf of:
FundRock NZ Limited

....

Director Director

This Statement was approved for signing at a meeting of the Directors on 28 July 2026.

FRANKLIN TEMPLETON INVESTMENT FUNDS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

		Income Fund		Equity Fund	
		2026	2025	2026	2025
	Note	$'000	$'000	$'000	$'000
INCOME					
Interest income calculated using the effective interest method	4	294	528	17	-
Interest income from investments at fair value through profit or loss	4	14,920	11,752	-	-
Net changes in fair value of financial instruments at fair value through profit or loss		(5,285)	(10,667)	11,852	(383)
Net foreign exchange gains		402	189	-	-
Other income		25	1	-	-
TOTAL INCOME/(LOSS)		**10,356**	**1,803**	**11,869**	**(383)**
EXPENSES					
Interest expense		22	18	-	-
Management fees	14	2,100	1,644	810	5
Other expenses		6	12	-	-
TOTAL EXPENSES		**2,128**	**1,674**	**810**	**5**
NET PROFIT/(LOSS)		**8,228**	**129**	**11,059**	**(388)**
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS)		**8,228**	**129**	**11,059**	**(388)**

The accompanying notes form part of and should be read in conjunction with these Financial Statements.

FRANKLIN TEMPLETON INVESTMENT FUNDS

STATEMENTS OF CHANGES IN FUNDS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 31 MARCH 2026

		Income Fund		Equity Fund	
		2026	**2025**	**2026**	**2025**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
UNITHOLDERS' FUNDS AT THE BEGINNING OF THE YEAR/PERIOD		**245,199**	**200,386**	**35,622**	**-**
Total comprehensive income/(loss)		**8,228**	**129**	**11,059**	**(388)**
Subscriptions from Unitholders		88,191	75,376	70,314	36,010
Redemptions by Unitholders		(32,968)	(21,247)	(4,719)	-
Distributions to Unitholders		(10,709)	(9,445)	-	-
		44,514	**44,684**	**65,595**	**36,010**
UNITHOLDERS' FUNDS AT THE END OF THE YEAR/PERIOD	10b	**297,941**	**245,199**	**112,276**	35,622

The accompanying notes form part of and should be read in conjunction with these Financial Statements.

FRANKLIN TEMPLETON INVESTMENT FUNDS

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2026

		Income Fund		Equity Fund	
	Note	As at 31 March 2026 $'000	As at 31 March 2025 $'000	As at 31 March 2026 $'000	As at 31 March 2025 $'000
ASSETS					
Cash and cash equivalents		5,279	9,870	200	20
Receivables	6	31,933	265	7	220
Financial assets at fair value through profit or loss					
Investment securities		297,089	233,318	112,189	35,387
Derivatives	5	5,059	4,882	-	-
Margin accounts		3,941	71	-	-
TOTAL ASSETS		**343,301**	**248,406**	**112,396**	**35,627**
LIABILITIES					
Payables	7	29,100	1,585	120	5
Financial liabilities at fair value through profit or loss					
Derivatives	5	16,137	1,622	-	-
Due to financial institutions		123	-	-	-
TOTAL LIABILITIES		**45,360**	**3,207**	**120**	**5**
UNITHOLDERS' FUNDS		**297,941**	**245,199**	**112,276**	**35,622**
TOTAL LIABILITIES AND UNITHOLDERS' FUNDS		**343,301**	**248,406**	**112,396**	**35,627**

For and on behalf of the Manager, FundRock NZ Limited, who authorised the issue of the following financial statements on 28 July 2026:
Brandywine Global Opportunistic Fixed Income Fund
Brandywine Global Opportunistic Equity Fund

Director

Director

The accompanying notes form part of and should be read in conjunction with these Financial Statements.

FRANKLIN TEMPLETON INVESTMENT FUNDS

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

		Income Fund		Equity Fund	
		2026	2025	2026	2025
	Note	$'000	$'000	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest		14,041	12,193	16	-
Realisation of investments		591,910	371,289	1,360	-
Net settlement in margin accounts		(3,870)	1,039	-	-
Other income		25	1	-	-
Operating expenses		(2,070)	(1,724)	(696)	-
Interest expense		(22)	(18)	-	-
Purchase of investments		(652,958)	(412,327)	(66,310)	(35,770)
Net settlement of derivatives		3,652	(25,616)	-	-
Net cash outflow from operating activities	11	**(49,292)**	**(55,163)**	**(65,630)**	**(35,770)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Subscriptions from Unitholders		79,634	75,948	70,528	35,790
Redemptions by Unitholders		(33,024)	(21,179)	(4,718)	-
Distributions to Unitholders		(2,060)	(9,445)	-	-
Net cash inflow from financing activities		**44,550**	**45,324**	**65,810**	**35,790**
Net cash decrease in cash and cash equivalents		(4,742)	(9,839)	180	20
Cash and cash equivalents at beginning of the year/period		9,870	19,930	20	-
Effect of exchange rate fluctuations on cash and cash equivalents		28	(221)	-	-
Cash and cash equivalents at end of the year/period		**5,156**	**9,870**	**200**	**20**
Cash and cash equivalents comprise of:					
Cash and cash equivalents		5,279	9,870	200	20
Due to financial institutions		(123)	-	-	-
Cash and cash equivalents at the end of the year/period		**5,156**	**9,870**	**200**	**20**

The accompanying notes form part of and should be read in conjunction with these financial statements.

1. GENERAL INFORMATION

The Scheme consists of two for-profit managed investment funds (the "Funds") domiciled in New Zealand and established under the Financial Markets Conduct Act 2013 ("FMC Act"). The financial statements for the Funds have been prepared in accordance with the Trust Deed.

The Brandywine Global Opportunistic Fixed Income Fund ("Income Fund") was established under a Trust Deed dated 1 December 2016, a scheme and fund establishment deed each dated 20 November 2017, then amended 30 January 2018 and 10 August 2021 and commenced operations on 27 March 2018.

The Brandywine Global Opportunistic Equity Fund ("Equity Fund") was established under a Trust Deed dated 1 December 2016, a scheme establishment deed dated 10 August 2021, a fund establishment deed dated 12 December 2024 and commenced operations on 24 March 2025.

The profile of Income Fund is as below:

The Income Fund invests in an actively managed portfolio of sovereign bonds, investment grade corporate bonds, mortgage securities, currencies and other similar securities. The Fund can also invest in emerging market debt, high yield debt, and below investment grade non-sovereign and corporate debt.

The Income Fund may use derivatives to obtain or reduce exposure to securities, markets and currencies (including taking short positions in individual currencies). Derivatives may also be used to manage cash flows or to facilitate timely exposure to securities. The use of derivatives may result in the Fund being leveraged, for example if this was not backed by cash, cash equivalents, or securities.

The investment objective of the Income Fund is to provide a return, before fees and taxes, in excess of the Bloomberg Global Aggregate Index - New Zealand dollar hedged over rolling five year periods.

The profile of Equity Fund is as below:

The Equity Fund invests substantially all its assets in the New Zealand dollar share class of the FTGF Brandywine Global Opportunistic Equity Fund, which is a sub-fund of Franklin Templeton Global Funds Plc (an Irish domiciled UCITS fund) ('Underlying Fund').

The investment objective of the Equity Fund is to earn a return before fees and taxes in excess of the MSCI All Country World Index NR, in New Zealand dollar terms, over the medium to long term.

2. BASIS OF PREPARATION

Reporting Period

The financial statements are for the year ended 31 March 2026. The comparative period for Income Fund is for the year ended 31 March 2025 and the comparative period for Equity Fund is for the period 24 March 2025 to 31 March 2025.

Statement of Compliance

The financial statements have been prepared in accordance with the Trust Deed and New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, as appropriate for a for-profit entity.

The financial statements also comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board.

2.BASIS OF PREPARATION (Continued)

Measurement Base

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgment in the process of applying the Funds' accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The financial statements are prepared in New Zealand dollars ("$") and all values are rounded to the nearest thousand dollars ("$'000"), unless otherwise stated.

FundRock NZ Limited ("FundRock") is the Manager of the Scheme and Fund(s). The Manager enters into fund hosting arrangements with various investment managers. The arrangements involve the issuing and managing of funds, under the Manager's Managed Investment Scheme licence, on behalf of the investment managers that want to provide investors with access to their investment solutions. The Manager contracts with other service providers to provide the services required to be provided directly to the funds. This includes investment management, supervision, fund administration and audit services.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

New and amended standards adopted by the Funds

There have been no material changes in accounting policies during the year. All policies have been applied on a basis consistent with those used in the prior period.

New standards, amendments and interpretations not yet adopted

NZ IFRS 18 - Presentation and Disclosure in Financial Statements

In May 2024, the XRB introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements ("NZ IFRS 18") (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements ("NZ IAS 1") and primarily introduces a defined structure for the Statements of Profit or Loss and Other Comprehensive Income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements. The Funds have not early adopted NZ IFRS 18 and are yet to assess its impacts.

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

Investment Entity

The Funds have multiple investors and hold multiple investments.

The Funds meet the definition of an investment entity per *NZ IFRS 10: Consolidated Financial Statements* as the following criteria are met:

- The Funds have obtained funds for the purpose of providing investors with investment management services.
- The Funds' business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the Fund investments.
- The performance of its investments is measured and evaluated on a fair value basis.

The Funds are considered to meet the definition of an investment entity, hence, they qualify as an investment entity.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Foreign Currency Translation

Functional and presentation currency

The Manager considers the New Zealand dollar the currency to most accurately represent the economic effect of the underlying transactions, events and conditions, therefore it is the Funds' functional currency. The New Zealand dollar is the currency in which the Funds measure and present their performance and report their results, as well as the currency in which they receive subscriptions from Unitholders.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the Statements of Financial Position date.

Foreign exchange gains and losses relating to financial assets carried at fair value through profit or loss are presented in the Statements of Profit or Loss and Other Comprehensive Income within 'Net changes in fair value of financial instruments at fair value through profit or loss'.

Foreign exchange gains and losses arising from translation are included in profit or loss in the Statements of Profit or Loss and Other Comprehensive Income.

Income Recognition

Interest

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset. Interest income from financial assets at fair value through profit or loss is recognised as interest income from investments at fair value through profit or loss.

Dividends and distributions

Dividend and distribution income is recognised on the date that the Funds' right to receive payment is established, it is probable that the economic benefits associated with the dividends and distributions will flow to the Funds, and the amounts for these can be measured reliably.

Changes in fair value of investments

Net gains or losses on investments at fair value through profit or loss are calculated as the difference between the fair value at sale, or at period end, and the fair value at the previous valuation point or cost. This includes both realised and unrealised gains and losses, but does not include interest, dividends and distributions income.

Financial Instruments

Classification - financial assets and financial liabilities

(a) Financial Assets

The Funds classify their financial instruments based on both the Funds' business model for managing those financial assets and contractual cash flow characteristic of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. Derivative financial assets that have a positive fair value are presented as assets at fair value through profit or loss. Consequently, all investments are measured at fair value through profit or loss.

(b) Financial Liabilities

The Funds hold derivative financial instruments. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

The Funds' policy requires the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Recognition, Derecognition and Measurement

Purchases and sales of investments and derivatives are recognised on the trade date - the date on which the Funds commit to purchase or sell the investments. Financial instruments at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the investments and derivatives have expired or the Funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'Financial instruments at fair value through profit or loss' category are presented in the Statements of Profit or Loss and Other Comprehensive Income within 'Net changes in fair value of financial instruments at fair value through profit or loss' in the period in which they arise.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Funds is the last traded price where the last traded prices fall within the bid-ask spread. In circumstances where the last sale price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value. Therefore, there are no accounting estimates or assumptions required in the valuations of the carrying amount of these assets. The fair value of fixed interest securities is the last sale price which is the mid-price of binding dealer bid and ask price quotations.

The fair value of units held by the Funds in managed investment funds is determined by reference to the latest net asset value ("NAV") unit prices at the close of business on the reporting date established by the underlying investment fund manager.

For investments with no active markets, fair values are determined using valuation techniques. Such techniques include: using recent arm's length transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgmental inputs to a minimum.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Funds or the counterparty.

Financial Assets and Financial Liabilities at Amortised Cost

Financial assets at amortised cost comprise cash and cash equivalents and receivables. These include cash balances and call deposits, accrued interest and dividends, and proceeds expected from sale transactions where the trade date and settlement date spanned the reporting date. The carrying value closely approximates their fair value.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Financial Assets and Financial Liabilities at Amortised Cost (Continued)

Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method less any impairment losses. The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the interest income or interest expense, including any fees and directly related transaction costs that are an integral part of the effective interest rate, over the expected life of the financial asset or liability so as to achieve a constant yield on the financial asset or liability.

(i) Cash and cash equivalents

Cash and cash equivalents in the Statements of Financial Position comprise cash at bank, deposits held at call with banks and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with an original maturity of three months or less and bank overdrafts. Bank overdrafts are shown as current liabilities in the Statements of Financial Position.

(ii) Receivables

Receivables include amounts where settlement has not yet occurred, and include outstanding settlements on the sale of investments. Amounts are generally received within 30 days of being recorded as receivables. Given the short-term nature of most receivables, the carrying amount approximates their fair value.

(iii) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Funds, and include outstanding settlements on the purchase of investments. Payables are measured initially at fair value and subsequently at amortised cost. Amounts are generally paid within thirty days of being recorded as payables. Given the short-term nature of most payables, the carrying amount approximates fair value.

Impairment of Financial Assets Carried at Amortised cost

The Funds hold receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under *NZ IFRS 9: Financial Instruments* to all its receivables. Therefore, the Funds do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at the reporting date.

With the short time period and the simplistic nature of the financial assets, accrued interest and dividends and receivables from the sale of investments are measured at amortised cost, the Funds do not anticipate any expected credit losses for these assets.

Expenses

All expenses are recognised on an accrual basis.

Taxation

Income taxation

Each Fund has elected to become a Portfolio Investment Entity ("PIE") for the purposes of the Income Tax Act 2007.

Tax treatment applicable to a PIE:

Under current taxation law the Funds pay no income tax on the taxable income of the Funds and all taxable income and associated tax credits applicable are allocated to investors, in proportion to the units they hold on the days when taxable income and credits arise.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The Funds are responsible for deducting tax from each investor's allocation using each investor's Prescribed Investor Rate ("PIR"), capped at a maximum of 28%, and pay the tax to the taxation authorities on behalf of the investor. PIE tax assets or liabilities for the current period are measured at the amount expected to be recovered or paid to the Inland Revenue on behalf of the investors based on the investors' current period's income and their PIR.

The Funds calculate and deduct tax based on each investor's PIR and pays the tax to the Inland Revenue on behalf of the investor. The PIE tax liabilities, at the end of the year, are due for payment on the last day of the next month.

Goods and services tax ("GST")

The Funds are not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

Redeemable Units and Unitholders' Interests

Ownership interests in the Funds are in the form of redeemable units in accordance with *NZ IAS 32: Financial Instruments: Presentation* and which are exposed to variable returns from changes in the fair value of the Funds' net assets. Units issued by the Funds provide the Unitholders the right to request redemption for cash at the value proportionate to the Unitholder's share in the Funds' net asset value. The Unitholders' Funds meet the definition of a "puttable instrument" in accordance with *NZ IAS 32: Financial Instruments: Presentation* and are classified as equity.

The redeemable units can be put back to the Funds at any time for cash equal to a proportionate share of the Funds' net assets value if the Unitholders exercise their right to relinquish the units. The redemption unit price is based on different valuation principles to that applied in financial reporting. This is explained in more detail in note 10.

Distributions to Unitholders

Distributions may be made from the Funds in accordance with the terms of the Trust Deed, the Establishment Deed and the relevant Funds' distribution policy. Amounts that are not distributed remain invested as part of the assets of the Funds. Proposed distributions to unitholders are recognised in the Statements of Changes in Funds Attributable to Unitholders when they are appropriately authorised and no longer at the discretion of the Fund Manager.

Unitholders have the choice to automatically reinvest their distributions. The reinvestment is made on the first available ex distribution net asset value price for the Funds.

Margin Accounts and Cash Collaterals

Margin accounts and cash collateral comprise futures margin accounts and amount due from or due to financial institutions.

Margin accounts comprise cash held as collateral for securities' transactions. The cash is held by the broker and is only available to meet margin calls. Amounts due from financial institutions includes the cash collateral lent by the Funds that is identified in the Statements of Financial Position as margin cash.

Margin accounts are not included as a component of cash and cash equivalents.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Presentation of Cash Flows

For the purposes of the Statements of Cash Flows, proceeds from the sale and purchase of investments designated at fair value through profit or loss and proceeds from realisation of derivatives are operating activities. The sale and purchase of investments maintain the operating capability of the Funds even though the investments may not be acquired specifically for resale or trading.

Critical Accounting Estimates and Assumptions

Fair value of investments

The investments of the Funds have been valued at closing last traded price. For the fixed interest securities the last traded price is the mid-price of binding dealer bid and ask price quotations, therefore there are no accounting estimates or assumptions required in the valuation of the carrying amounts of these assets. Where an investment is unlisted the value is based on the relevant NAV price established by underlying investment managers.

Fair value of derivative financial instruments

The Funds may, from time to time, hold financial instruments that are not quoted in an active market, such as over-the-counter derivatives.

The Funds' derivative financial instruments are classified as held for trading. Fair values of such instruments are determined by using valuation techniques that are primarily based on inputs derived or corroborated by observable market data. Forward foreign exchange contracts are marked to market at the currency forward exchange rate at the valuation date for contracts with similar maturity and risk profiles.

4. INTEREST INCOME

	Income Fund		Equity Fund	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Cash at bank	294	528	17	-
Financial assets at fair value through profit or loss	14,920	11,752	-	-
	15,214	**12,280**	**17**	**-**

5. DERIVATIVE FINANCIAL INSTRUMENTS

The Funds hold the following derivative financial instruments:

(a) Forward foreign exchange contracts ("FFX")

Forward foreign exchange contracts are contractual obligations to buy or sell foreign currencies on a future date at a specified price. Forward foreign exchange contracts are settled on a net basis.

(b) Swaps

Credit default swaps ("CDS") are contractual obligations to make payments over time based on specified notional amounts in return for payout in the case of default by the underlying financial instruments.

	Income Fund		Equity Fund	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Assets				
Held for Trading:				
Forward foreign exchange contracts	4,401	4,882	-	-
Credit default swaps	658	-	-	-
	5,059	**4,882**	**-**	**-**
Liabilities				
Held for Trading:				
Forward foreign exchange contracts	16,137	1,622	-	-
	16,137	**1,622**	**-**	**-**

6. RECEIVABLES

	Income Fund		Equity Fund	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Interest receivable	222	139	1	-
Receivables from sale of investments	31,677	-	-	-
PIE tax recoverable from Inland Revenue	-	9	-	-
Outstanding subscriptions from Unitholders	34	117	6	220
	31,933	**265**	**7**	**220**

7. PAYABLES

	Income Fund		Equity Fund	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Outstanding redemptions by Unitholders	34	183	1	-
Payables from purchase of investments	28,728	1,193	-	-
PIE tax payable to Inland Revenue	93	-	-	-
Management fees payable	245	209	119	5
	29,100	**1,585**	**120**	**5**

8. AUDIT FEE

PricewaterhouseCoopers ("PwC")'s fees for the audit of the financial statements for Income Fund for the year ended 31 March 2026 amounted to $29,900 (31 March 2025: $38,760) including GST. Fees for Equity Fund for the year ended 31 March 2026 amounted to $24,150 (31 March 2025: $21,850) including GST.

9. NON-CASH TRANSACTIONS

During the year, the Funds did not undertake any in-specie transactions in respect of financial instruments, nor were there any non-cash subscriptions or redemptions of units by Unitholders.

10. UNITHOLDERS' FUNDS

10a. Units on issue

	Income Fund		Equity Fund	
	2026	2025	2026	2025
	'000	'000	'000	'000
Units on issue at the beginning of the year/period	295,173	231,650	36,021	-
Subscriptions from Unitholders	103,714	88,441	66,821	36,021
Redemptions by Unitholders	(38,860)	(24,918)	(4,215)	-
Units on issue at the end of the year/period	**360,027**	**295,173**	**98,627**	**36,021**

10. UNITHOLDERS' FUNDS (Continued)

10b. Units in dollar value

	Income Fund		Equity Fund	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Unitholders' Funds at the end of the year/period	297,941	245,199	112,276	35,622
Unit price NAV at the end of the year/period	298,033	245,258	112,271	35,383

The unit price NAV is calculated using last sale price and the latest available prices as at the close of business on the last business day of the reporting period. The NAV per the Statements of Financial Position is also based on last sale price as at the last business day of the reporting period. Therefore, the difference in the NAV between the unit price and the financial statements is due to price valuation and timing, if any.

Redeemable Units and Capital Management

The Funds issue redeemable units. The net asset value of the units is shown in the Statements of Financial Position as Unitholders' Funds. Each Unitholder is entitled to payment based on the value of the Unitholder's share in the Funds' net asset value, which the Unitholder selected on the redemption date.

The relevant movements are shown on the Statements of Changes in Funds Attributable to Unitholders. The Funds endeavour to invest the contributions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

Each unit in the Funds ranks equally and provides Unitholders with a beneficial interest of the Funds. Unitholders have various rights under the Trust Deed of the Funds, including the rights to:

- Have their units redeemed
- Receive the Unitholders' funds of the Fund upon termination of the Fund; and
- Receive distributions distributed by the Fund

11. RECONCILIATION OF NET PROFIT/(LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Income Fund		Equity Fund	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Net profit	**8,228**	**129**	**11,059**	**(388)**
Adjustments for:				
Payments for the purchase of investments	(652,958)	(412,327)	(66,310)	(35,770)
Proceeds from the sale of investments	591,910	371,289	1,360	-
Net changes in fair value of financial instruments at fair value through profit or loss	5,285	10,667	(11,852)	383
Foreign exchange (gains)/losses	(402)	(189)	-	-
Increase in receivables	(83)	54	(1)	-
Increase in payables	36	(68)	114	5
Movement in margin accounts	(3,870)	1,039	-	-
Movement in accrued interest and take-on interest receivable	(1,090)	(141)	-	-
Net settlement of derivatives	3,652	(25,616)	-	-
Net cash (outflow) from operating activities	**(49,292)**	**(55,163)**	**(65,630)**	**(35,770)**

12. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Income Fund

	2026					2025				
	Financial assets at fair value through profit or loss $'000	Financial liabilities at fair value through profit or loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000	Financial assets at fair value through profit or loss $'000	Financial liabilities at fair value through profit or loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
Assets										
Cash and cash equivalents	-	-	5,279	-	5,279	-	-	9,870	-	9,870
Receivables	-	-	31,933	-	31,933	-	-	265	-	265
Investment securities	297,089	-	-	-	297,089	233,318	-	-	-	233,318
Derivative assets	5,059	-	-	-	5,059	4,882	-	-	-	4,882
Margin accounts	-	-	3,941	-	3,941	-	-	71	-	71
Total Assets	**302,148**	**-**	**41,153**	**-**	**343,301**	**238,200**	**-**	**10,206**	**-**	**248,406**
Liabilities										
Derivative liabilities	-	16,137	-	-	16,137	-	1,622	-	-	1,622
Payables	-	-	-	29,007	29,007	-	-	-	1,585	1,585
Due to financial institutions	-	-	-	123	123	-	-	-	-	-
Total Liabilities	**-**	**16,137**	**-**	**29,130**	**45,267**	**-**	**1,622**	**-**	**1,585**	**3,207**

Equity Fund

	2026					2025				
	Financial assets at fair value through profit or loss $'000	Financial liabilities at fair value through profit or loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000	Financial assets at fair value through profit or loss $'000	Financial liabilities at fair value through profit or loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
Assets										
Cash and cash equivalents	-	-	200	-	200	-	-	20	-	20
Receivables	-	-	7	-	7	-	-	220	-	220
Investment securities	112,189	-	-	-	112,189	35,387	-	-	-	35,387
Total Assets	**112,189**	**-**	**207**	**-**	**112,396**	**35,387**	**-**	**240**	**-**	**35,627**
Liabilities										
Payables	-	-	-	120	120	-	-	-	5	5
Total Liabilities	**-**	**-**	**-**	**120**	**120**	**-**	**-**	**-**	**5**	**5**

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13. MATURITY ANALYSIS

The tables below show an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Income Fund

	2026				2025			
	Within 12 months $'000	Over 12 months $'000	Maturity not specified $'000	Total $'000	Within 12 months $'000	Over 12 months $'000	Maturity not specified $'000	Total $'000
Assets								
Cash and cash equivalents	5,279	-	-	5,279	9,870	-	-	9,870
Receivables	31,933	-	-	31,933	265	-	-	265
Investment securities	11,411	285,678	-	297,089	1,701	231,617	-	233,318
Derivatives	4,401	658	-	5,059	4,882	-	-	4,882
Margin accounts	3,941	-	-	3,941	71	-	-	71
Total Assets	**56,965**	**286,336**	**-**	**343,301**	**16,789**	**231,617**	**-**	**248,406**
Liabilities								
Payables	29,100	-	-	29,100	1,585	-	-	1,585
Derivatives	16,137	-	-	16,137	1,622	-	-	1,622
Due to financial institutions	123	-	-	123	-	-	-	-
Total Liabilities	**45,360**	**-**	**-**	**45,360**	**3,207**	**-**	**-**	**3,207**

Equity Fund

	2026				2025			
	Within 12 months $'000	Over 12 months $'000	Maturity not specified $'000	Total $'000	Within 12 months $'000	Over 12 months $'000	Maturity not specified $'000	Total $'000
Assets								
Cash and cash equivalents	200	-	-	200	20	-	-	20
Receivables	7	-	-	7	220	-	-	220
Investment securities	-	-	112,189	112,189	-	-	35,387	35,387
Total Assets	**207**	**-**	**112,189**	**112,396**	**240**	**-**	**35,387**	**35,627**
Liabilities								
Payables	120	-	-	120	5	-	-	5
Total Liabilities	**120**	**-**	**-**	**120**	**5**	**-**	**-**	**5**

14. RELATED PARTY TRANSACTIONS

A party is related to the Funds if:

(i) directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with the Funds;

(ii) it has an interest in or relationship with the Funds that gives it significant influence over the Funds;

(iii) the Funds have an interest in or relationship with the party that gives significant influence over the party; or

(iv) they are a member of the key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity. This includes the Board and members of senior leadership team of the Manager, Investment Manager and Supervisor.

The following are considered to be related parties of the Funds: FundRock NZ Limited (Manager of the Funds), Franklin Templeton Australia Limited (Investment Manager of the Funds), Public Trust (supervisor of the Funds), Apex Investment Administration (NZ) Limited (registry provider for the Funds and shares the same parent company as the Manager). Public Trust, is deemed a related party by virtue of Public Trust being the trustee of the Funds.

Management Fees

As outlined in the Funds' Product Disclosure Statement ("PDS"), the Funds incur management fees which for the Income Fund are 0.76% (31 March 2025: 0.76%) of the net asset value including GST and for the Equity Fund are 0.93% (31 March 2025: 0.93%) of the net asset value including GST. The Annual Fund Charges include any fees within underlying funds or securities that the Funds may invest into, as well as fees paid to the Investment Manager, the Supervisor, the Auditor, the Custodian and the Administration Manager, bank charges and other various costs and expenses incurred. Where there is a shortfall, the Manager will pay the shortfall on behalf of the Funds and will recover the shortfall from the Investment Manager. The Investment Manager pays the Manager a fee for fund hosting services from the management fees the Investment Manager receives.

The Supervisor of the Funds is Public Trust. For the year ended 31 March 2026 total Supervisor fees charged to the Income Fund amounted to $35,331 (31 March 2025: $28,719) and Equity Fund amounted to $10,960 (31 March 2025: $80).

The registry provider for the Funds is Apex Investment Administration (NZ) Limited. For the year ended 31 March 2026 total registry fees charged to the Income Fund amounted to $213,525 (31 March 2025: $75,795) and Equity Fund amounted to $67,257 (31 March 2025: $462).

Related Parties Holdings in the Funds

The Aurora KiwiSaver Scheme (a Scheme previously managed by the Manager) invested in the Equity Fund, but is no longer deemed a related party as at 31 March 2026 (31 March 2025: held 36,021,498 units, valued at $35,603,649).

During the year, there were no units held by the Directors and Key Management Personnel of Manager in the Funds. The details of units held as at 31 March 2026 and 31 March 2025 and movements during the year are as follows:

14. RELATED PARTY TRANSACTIONS (Continued)

	Income Fund							
	2026				2025			
	Units	Value	Units acquired during the year	Units disposed of during the year	Units	Value	Units acquired during the year	Units disposed of during the year
	'000	$'000	'000	'000	'000	$'000	'000	'000
Directors and Key Management Personnel of Manager	-	-	-	-	-	-	1	30

Holdings in Related Parties

The Brandywine Global Opportunistic Equity Fund invests into units of the FTGF Brandywine Global Opportunistic Equity Fund. The fund is managed by Franklin Templeton Australia Limited, a related party of the Funds.

The details of the holdings at 31 March 2026 and 31 March 2025, movements and income received during the year are as follows:

	Equity Fund	
FTGF Brandywine Global Opportunistic Equity Fund	**2026**	**2025**
	$'000	**$'000**
Opening value	35,387	-
Purchase of investments	66,310	35,770
Sale of investments	(1,360)	-
Change in fair value	11,852	(383)
Closing value	**112,189**	**35,387**

15. FINANCIAL RISK MANAGEMENT

Strategy in Using Financial Instruments

The Funds' activities expose it to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance. The Funds may use derivatives to obtain or reduce exposure to securities, markets and currencies (including taking short positions in individual currencies). Derivatives may also be used to manage cash flows or to facilitate timely exposure to securities. The use of derivatives may result in the Funds being leveraged, for example if this was not backed by cash, cash equivalents, or securities.

15a. Market Price Risk

Market price risk is the risk that the Funds' income or the value of its holdings of financial instruments will fluctuate as a result of changes in market prices.

The Funds' overall market positions are monitored on a daily basis by the Investment Manager.

The Funds manage its exposure to market risk by analysing the investments by industrial sector. At 31 March 2026 the Funds' overall industry concentration exposures were as follows:

	Income Fund				Equity Fund			
	2026		2025		2026		2025	
	Fair value	Percentage of investments	Fair value	Percentage of investments	Fair value	Percentage of investments	Fair value	Percentage of investments
Sector	$	%	$	%	$	%	$	%
Unlisted unit trust investments	-	-	-	-	112,189	100.00	35,387	100
Government	205,704	69.24	106,715	45.74	-	-	-	-
Corporate								
Financial Institutions								
Banking	4,861	1.64	7,762	3.33	-	-	-	-
Finance companies	9,277	3.12	10,507	4.50	-	-	-	-
Industrial	18,039	6.07	29,841	12.79	-	-	-	-
Securitised								
Residential mortgage	59,208	19.93	78,493	33.64	-	-	-	-
Total	**297,089**	**100.00**	**233,318**	**100.00**	**112,189**	**100.00**	**35,387**	**100.00**

15. FINANCIAL RISK MANAGEMENT (Continued)

15a. Market Price Risk (Continued)

The tables below show the sensitivity analysis to a reasonably possible change in market price with all other variables held constant. As at 31 March 2026 the analysis is based on the assumptions that the market price movement increased or decreased by 10%. The Manager believes the 10% market price movement assumption to be management's best estimate of reasonable possible change in current market condition (31 March 2025: 10%).

	Income Fund				Equity Fund			
	2026		2025		2026		2025	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Interest bearing securities	29,709	(29,709)	23,332	(23,332)	-	-	-	-
Unlisted unit trust investments	-	-	-	-	11,219	(11,219)	3,539	(3,539)

15b. Currency Risk

Currency risk is the risk that the value of the financial instruments or foreign cash will fluctuate due to changes in foreign exchange rates.

The Funds hold financial instruments denominated in currencies other than the New Zealand dollar, the functional currency, at period end. It is therefore exposed to currency risk, as the value of the financial instruments denominated in other currencies will fluctuate due to changes in exchange rates.

The Funds enter into forward exchange contracts designed to economically hedge the currency exposure of the underlying investments. The foreign exchange contracts are held to mitigate the currency exposure by aiming to be fully hedged to the New Zealand dollars. The Investment Manager has a limited discretion to take some currency risk within the overall risk constraint of the portfolio. Accordingly at any point in time currency risk is limited to the currency market movement on the unhedged portion of the portfolio, typically recent gains and losses that have not been hedged. A minimum of 75% of the portfolio must be denominated in and/or hedged into New Zealand dollars.

15. FINANCIAL RISK MANAGEMENT (Continued)

15b. Currency Risk (Continued)

The table below summarises the Funds' exposure to foreign currency risk in New Zealand dollar ("NZD") value of the monetary assets and liabilities. *NZ IFRS 7: Financial Instruments: Disclosures* considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk and not foreign currency risk.

Income Fund

	2026							2025						
	AUD	CAD	EUR	GBP	JPY	USD	Other	AUD	CAD	EUR	GBP	JPY	USD	Other
Monetary assets and liabilities	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	-	-	-	-	-	1,591	1	-	-	1	-	-	5,045	43
Margin accounts	-	-	-	-	-	3,819	-	-	-	-	-	-	71	-
Receivables/(Payables)	373	-	(18,752)	-	-	21,428	115	-	-	-	-	-	(1,182)	111
Interest bearing securities	37,002	-	18,827	19,521	6,845	133,561	72,906	-	-	-	31,022	-	145,397	56,899
Derivatives excluding FFX	-	-	-	-	-	658	-	-	-	-	-	-	-	-
Total	37,375	-	75	19,521	6,845	161,057	73,022	-	-	1	31,022	-	149,331	57,053
Forward foreign exchange contracts														
Notional value	(7,577)	-	(69,614)	(31,323)	24,209	(218,584)	(646)	-	20,022	19,836	(30,448)	19,742	(216,294)	(51,440)

The tables below show the sensitivity analysis in NZD currency with all other variables remaining constant, where the Funds have significant exposure. The analysis is based on the assumption that the relevant foreign exchange rate increase/decrease by the percentage disclosed in the tables below. The analysis shows the impact of a reasonably possible change in the New Zealand dollar to foreign currency exchange rates.

Income Fund

	2026				2025			
	Monetary assets and liabilities and FFX contracts				Monetary assets and liabilities and FFX contracts			
	Profit or loss		Unitholders' Fund		Profit or loss		Unitholders' Fund	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
AUD	(2,709)	3,311	(2,709)	3,311	-	-	-	-
CAD	-	-	-	-	(1,820)	2,225	(1,820)	2,225
EUR	6,322	(7,727)	6,322	(7,727)	(1,803)	2,204	(1,803)	2,204
GBP	1,073	(1,311)	1,073	(1,311)	(52)	64	(52)	64
JPY	(2,823)	3,450	(2,823)	3,450	(1,795)	2,194	(1,795)	2,194
USD	5,230	(6,392)	5,230	(6,392)	6,080	(7,431)	6,080	(7,431)
Other	(6,580)	8,042	(6,580)	8,042	(510)	624	(510)	624

15. FINANCIAL RISK MANAGEMENT (Continued)

15c. Interest Rate Risk

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

The Funds hold investments in international fixed interest securities and so is exposed to risks arising from the fluctuations in the prevailing levels of market interest rates which impact its financial position and cash flows. Interest rate risk is actively managed within the terms of the investment guidance for the Fund as agreed with the Manager.

In accordance with the Funds' policy, the Investment Manager monitors and the Manager reviews the Funds' overall interest sensitivity on a regular basis.

The following tables analyse the Income Fund's interest rate risk exposure. The analysis has been prepared on the basis of the remaining period to contractual repricing or maturity dates.

Income Fund

	2026						2025					
	Within 6 months	Between 6-12 months	Between 1-2 years	Between 2-5 years	Over 5 years	Total	Within 6 months	Between 6-12 months	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Financial assets	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	5,279	-	-	-	-	5,279	9,870	-	-	-	-	9,870
Interest-bearing securities	10,003	1,408	43,092	17,413	225,173	297,089	1,164	537	2,957	22,083	206,577	233,318
Total financial assets	**15,282**	**1,408**	**43,092**	**17,413**	**225,173**	**302,368**	**11,034**	**537**	**2,957**	**22,083**	**206,577**	**243,188**
Financial liabilities												
Due to financial institutions	123	-	-	-	-	123	-	-	-	-	-	-
Total financial liabilities	**123**	**-**	**-**	**-**	**-**	**123**	**-**	**-**	**-**	**-**	**-**	**-**

15. FINANCIAL RISK MANAGEMENT (Continued)

15c. Interest Rate Risk (Continued)

The table below show the sensitivity of the Income Fund's profit or loss and equity to a reasonably possible change in interest rates with all other variables remaining constant. The sensitivity of the income statement is the effect of the assumed changes in interest rates on:

1) The interest income for the period based on floating rate financial assets held as at 31 March 2026 and 31 March 2025.
2) Changes in fair value of investments for the period based on revaluing fixed rate financial assets as at 31 March 2026 and 31 March 2025.

Income Fund

	2026				2025			
	Sensitivity of interest income		Sensitivity of changes in fair value of investments		Sensitivity of interest income		Sensitivity of changes in fair value of investments	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash and cash equivalents	53	(53)	-	-	98	(98)	-	-
Interest bearing securities	387	(387)	(20,239)	23,546	12	(12)	(20,847)	24,726

15. FINANCIAL RISK MANAGEMENT (Continued)

15d. Credit Risk

Credit risk represents the risk that a counterparty to the financial instrument will fail to perform contractual obligations under a contract and cause the Funds to incur a loss.

With respect to credit risk arising from the financial assets of the Funds, the Funds' exposure to credit risk arises from the default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statements of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

There are no financial assets that are past due or impaired, or would otherwise be past due or impaired except for the terms having been renegotiated.

The Funds' cash and cash equivalents balances are held with ANZ (Standard & Poor's ("S&P") credit rating AA-) (31 March 2025: AA-) and BNP Paribas (S&P credit rating A+) (31 March 2025: A+).

At 31 March 2026 substantially all assets are placed in custody with BNP Paribas, which has a S&P credit rating of A+ (31 March 2025: A+).

As at 31 March 2026 all amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of A or higher and are due to be settled within 1 month. Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 months expected credit losses as any such impairment would be wholly insignificant to the Funds.

The analysis below summarises the credit quality of the Income Fund's exposure rated by external credit rating agencies using equivalent Standard & Poor's ratings.

Income Fund

	2026					2025				
	AAA to AA-	A+ to A-	BBB+ to B-	Less than B-	Total	AAA to AA-	A+ to A-	BBB+ to B-	Less than B-	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Overseas and local government securities	119,072	6,845	79,786	-	205,703	47,028	14,051	45,637	-	106,716
Other overseas fixed interest securities	39,590	9,387	42,322	87	91,386	69,903	1,629	55,070	-	126,602
Swaps (excluding interest rate swaps)	-	658	-	-	658	-	-	-	-	-
Forward foreign exchange contracts	-	4,401	-	-	4,401	-	4,882	-	-	4,882
	158,662	**21,291**	**122,108**	**87**	**302,148**	**116,931**	**20,562**	**100,707**	**-**	**238,200**

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15. FINANCIAL RISK MANAGEMENT (Continued)

15e. Liquidity Risk

Liquidity risk is the risk that the Funds will not be able to meet its financial obligations as they fall due.

The liquidity risk of the Funds is assessed with reference to liquidity of the underlying assets and securities. The Manager then establishes an appropriate application and redemption frequency for the Funds. The Funds invest predominantly in liquid securities and hence have daily applications and redemptions. Market conditions can, however, change resulting in some assets becoming difficult to sell. Hence if the Funds were to experience liquidity problems the Manager may defer or suspend redemptions for a period of time.

All financial liabilities are expected to be settled within 12 months.

The tables below analyse the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

Income Fund 2026

	Statements of Financial Position	Contractual cash flows	Within 6 months	Between 6-12 months	Between 1-2 years	Between 2-5 years	Over 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Payables	29,007	29,007	29,007	-	-	-	-
Total	**29,007**	**29,007**	**29,007**	**-**	**-**	**-**	**-**

Income Fund 2025

	Statements of Financial Position	Contractual cash flows	Within 6 months	Between 6-12 months	Between 1-2 years	Between 2-5 years	Over 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Payables	1,585	1,585	1,585	-	-	-	-
Total	**1,585**	**1,585**	**1,585**	**-**	**-**	**-**	**-**

15. FINANCIAL RISK MANAGEMENT (Continued)

15e. Liquidity Risk (Continued)

	Equity Fund 2026						
	Statements of Financial Position	Contractual cash flows	Within 6 months	Between 6-12 months	Between 1-2 years	Between 2-5 years	Over 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Payables	120	120	120	-	-	-	-
Total	**120**	**120**	**120**	**-**	**-**	**-**	**-**

	Equity Fund 2025						
	Statements of Financial Position	Contractual cash flows	Within 6 months	Between 6-12 months	Between 1-2 years	Between 2-5 years	Over 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities							
Payables	5	5	5	-	-	-	-
Total	**5**	**5**	**5**	**-**	**-**	**-**	**-**

15. FINANCIAL RISK MANAGEMENT (Continued)

15e. Liquidity Risk (Continued)

The tables below analyse the net settled derivative financial assets into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

The contractual cash flows are based on the spot rate as at 31 March 2026 and 31 March 2025.

Income Fund

2026

	Statements of Financial Position	Contractual cash flows	Within 6 months	Between 6-12 months	Between 1-2 years	Between 2-5 years	Over 5 years
Derivatives Held for Trading	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Assets							
Forward foreign exchange contracts	4,401						
Inflow		256,179	256,179	-	-	-	-
Outflow		(251,640)	(251,640)	-	-	-	-
Credit default swaps	658						
Inflow		3,867	344	365	730	2,190	238
Outflow		-	-	-	-	-	-
Liabilities							
Forward foreign exchange contracts	16,137						
Inflow		434,939	434,939	-	-	-	-
Outflow		(451,633)	(451,633)	-	-	-	-

15. FINANCIAL RISK MANAGEMENT (Continued)

15e. Liquidity Risk (Continued)

Income Fund

2025

Derivatives Held for Trading	Statements of Financial Position $'000	Contractual cash flows $'000	Within 6 months $'000	Between 6-12 months $'000	Between 1-2 years $'000	Between 2-5 years $'000	Over 5 years $'000
Assets							
Forward foreign exchange contracts	4,882						
Inflow		329,209	329,209	-	-	-	-
Outflow		(323,450)	(323,450)	-	-	-	-
Credit default swaps							
Inflow		-	-	-	-	-	-
Outflow		-	-	-	-	-	-
Liabilities							
Forward foreign exchange contracts	1,622						
Inflow		156,065	156,065	-	-	-	-
Outflow		(157,930)	(157,930)	-	-	-	-

15. FINANCIAL RISK MANAGEMENT (Continued)

15f. Financial Assets and Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements and Similar Agreements

The Funds hold derivative financial instruments. The following tables present the recognised financial assets and liabilities that are subject to offsetting, or other similar arrangements but not offset, as at 31 March 2026 and 31 March 2025.

Income Fund

	2026						2025					
				Related amounts not set-off in the statement of financial position						Related amounts not set-off in the statement of financial position		
	Gross amounts of recognised financial instruments	Gross amounts of recognised financial instruments set-off in the statement of financial position	Net amounts of financial instruments presented in the statement of financial position	Financial instruments	Cash collateral received/ pledged	Net amount	Gross amounts of recognised financial instruments	Gross amounts of recognised financial instruments set-off in the statement of financial position	Net amounts of financial instruments presented in the statement of financial position	Financial instruments	Cash collateral received/ pledged	Net amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets												
Derivatives - FFX Contracts	5,645	(1,244)	4,401	(2,491)	-	1,910	4,984	(102)	4,882	(4,882)	-	-
Derivatives - Swaps	658	-	658	-	-	658	-	-	-	-	-	-
Total Financial Assets	**6,303**	**(1,244)**	**5,059**	**(2,491)**	**-**	**2,568**	**4,984**	**(102)**	**4,882**	**(4,882)**	**-**	**-**
Financial Liabilities												
Derivatives - FFX Contracts	17,381	(1,244)	16,137	(2,491)	-	13,646	1,724	(102)	1,622	(4,882)	-	(3,260)
Total Financial Liabilities	**17,381**	**(1,244)**	**16,137**	**(2,491)**	**-**	**13,646**	**1,724**	**(102)**	**1,622**	**(4,882)**	**-**	**(3,260)**

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The following tables analyse financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value is measured at 31 March 2026 and 31 March 2025.

Income Fund

	2026				2025			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investment securities								
NZ fixed interest securities	-	-	-	-	-	-	-	-
International fixed interest securities	-	297,089	-	297,089	-	233,318	-	233,318
Derivatives								
Forward foreign exchange contracts	-	5,059	-	5,059	-	4,882	-	4,882
	-	**302,148**	**-**	**302,148**	**-**	**238,200**	**-**	**238,200**
Financial liabilities at fair value through profit or loss								
Derivatives								
Forward foreign exchange contracts	-	16,137	-	16,137	-	1,622	-	1,622
	-	**16,137**	**-**	**16,137**	**-**	**1,622**	**-**	**1,622**

Equity Fund

	2026				2025			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investment securities								
Unlisted unit trusts	-	112,189	-	112,189	-	35,387	-	35,387
	-	**112,189**	**-**	**112,189**	**-**	**35,387**	**-**	**35,387**

The fair value of fixed interest securities at reporting date is based on the mid-price of binding dealer price quotations. The government fixed interest securities and corporate fixed interest bonds are included within level 2.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The Funds use widely recognised valuation models for determining fair values of over-the-counter derivatives. For these financial instruments, inputs into models are market observable and are therefore included within level 2. The fair values of forward foreign exchange contracts are calculated by reference to current exchange rates for contracts with similar maturity and risk profiles and is included within level 2.

Due to their short term nature, carrying amounts of cash and cash equivalents, margin accounts, receivables and payables stated in the Statements of Financial Position approximate their fair value.

Transfers between levels of the fair value hierarchy

There were no transfers between levels in the period ended 31 March 2026 (31 March 2025: nil).

17. CONTINGENT LIABILITIES AND COMMITMENTS

The Funds had no material commitments or contingencies at 31 March 2026 (31 March 2025: nil).

18. EVENTS SUBSEQUENT TO BALANCE DATE

On 15 June 2026, the Brandywine Global Opportunistic Equity Fund changed its portfolio composition from getting exposure through the underlying fund, to holding the underlying securities directly. There was no change to the investment objectives as part of this change.

Independent auditor's report

To the unitholders of:

- **Brandywine Global Opportunistic Fixed Income Fund**
- **Brandywine Global Opportunistic Equity Fund**

(Collectively referred to as the Funds)

Our opinion

In our opinion, the accompanying financial statements of the Funds present fairly, in all material respects, the financial positions of the Funds as at 31 March 2026, their financial performance, and their cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Funds' financial statements comprise:

- the statements of financial position as at 31 March 2026;
- the statements of profit or loss and other comprehensive income for the year then ended;
- the statements of changes in funds attributable to unitholders for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

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PO Box 243, Wellington 6140, New Zealand
+64 4 462 7000

Independence

We are independent of the Funds in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board (PES 1) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

Subject to certain restrictions, partners and employees of our firm may invest in the Funds on normal terms within the ordinary course of trading activities of the Funds. The firm has no other relationship with, or interests in, FundRock NZ Limited (the Manager) in respect of the Funds.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Description of the key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Valuation and existence of financial assets and financial liabilities at fair value through profit or loss
Refer to note 16 to the financial statements for the reported values of financial assets and financial liabilities (financial instruments) at fair value through profit or loss.
This was an area of focus for our audit as it represents the majority of the unitholders' funds of the Funds.
Valuation
The fair value of the financial instruments that are not traded in an active market is determined using valuation techniques. The valuation technique depends on the underlying financial instruments and includes assumptions that are based on market conditions existing at the reporting date.
Such financial instruments with inputs to the valuation that are observable either directly or indirectly are categorised as Level 2 in the fair value hierarchy.
For financial instruments quoted in foreign currencies, these are translated to New Zealand dollars using the exchange rates at the reporting date.
Existence
Holdings of certain financial instruments at fair value through profit or loss are held by the custodian on behalf of the Funds (the Custodian).
For financial instruments at fair value through profit or loss not held by the Custodian, the position is recorded with the counterparty.
</td><td>
We assessed the processes employed by the Manager, for recording and valuing the financial instruments at fair value through profit or loss including the relevant controls operated by a third party service organisation, the Administrator. Our assessment of the processes included obtaining the internal controls report over investment accounting provided by the Administrator.
We evaluated the evidence provided by the internal controls report over the design and operating effectiveness of the relevant controls operated by the Administrator.
For financial instruments that are not traded in an active market and with inputs that are observable either directly or indirectly, we:

agreed the observable inputs to third party pricing sources and with the assistance of our internal valuation experts, evaluated the fair value, using independent valuation models; or
agreed the redemption price at the reporting date, to the confirmation provided by the unlisted unit trusts' administrator. We compared the redemption price at the reporting date to recent transactions and compared the Net Asset Value per unit calculated based on the latest audited financial statements of the underlying unlisted unit trusts to the published unit price on that date to provide evidence on reliability of unit pricing.

We have assessed the reasonableness of the exchange rates used to translate financial instruments quoted in foreign currencies.
We obtained confirmation from the Custodian and counterparties of the holdings and positions of the financial instruments at fair value through profit or loss as recognised by the Funds at the reporting date.
</td></tr>
</table>

Our audit approach

Overview

Materiality	We determined materiality for each Fund separately. Our materiality for each Fund is calculated based on approximately 1% of unitholders' funds for each Fund. We chose unitholders' funds as the benchmark because, in our view, the objective of the Funds is to provide unitholders with a total return on the Funds' net assets, taking into account both capital and income returns.
Key audit matters	As reported above, we have one key audit matter, being valuation and existence of financial assets and financial liabilities at fair value through profit or loss.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements of each Fund as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in the aggregate, on the financial statements of each Fund as a whole.

How we tailored our audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of each Fund as a whole, taking into account the structure of each Fund, the Funds' investments and the accounting and registry processes and controls.

The Manager is responsible for the governance and control activities of the Funds. The Manager has outsourced investment accounting (Administrator) and registry services (Registrar) to third party service providers.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon, which the annual report refers to.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards and for such internal control as the Manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing each 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 Manager either intends to liquidate a Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are 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 ISAs (NZ) and ISAs 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/

This description forms part of our auditor's report.

Who we report to

This report is made solely to each Fund's unitholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than each Fund's unitholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Christopher Ussher.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers Wellington
29 July 2026