

Notice of Annual General Meeting

Notice is hereby given that the 2025 Annual General Meeting of

FLAGSHIP INVESTMENTS LIMITED

(“the Company”)

ABN 99 080 135 913

will be held at

McCullough Robertson Lawyers	
Location	Level 11, Central Plaza Two, 66 Eagle Street, Brisbane, QLD
Date	Thursday 6 November 2025
Time	12:00 Noon (AEST)

ORDINARY BUSINESS

ITEM 1

Financial Statements and Reports

To receive and consider the Company’s annual financial reports and the reports of the Directors and Auditor for the year ended 30 June 2025.

ITEM 2

Resolution: 1 Adoption Of Directors’ Remuneration Report

To consider, and if in favour, to pass the following Resolution under section 250R(2) Corporations Act:

- 1 ‘That the Remuneration Report of the Directors for the financial year ended 30 June 2025 be adopted.’

Note:

This Resolution will be decided as if it were an ordinary resolution, but under section 250R(2) Corporations Act the vote on this Resolution is advisory only and does not bind the Directors.

Voting exclusion:

- (a) Key management personnel (KMP) whose remuneration details are contained in the Remuneration Report (and their closely related parties) are restricted from voting on Resolution 2 under section 250R(4) Corporations Act.

- (b) KMP (or their closely related parties) appointed as a proxy must not vote on a Resolution connected directly or indirectly with the remuneration of KMP if the proxy is undirected unless:

- (i) the proxy is the person chairing the meeting; and
- (ii) the proxy appointment expressly authorises the person chairing the meeting to vote undirected proxies on such a resolution.

ITEM 3

Resolution: 2 Re-Election Of Directors

To consider, and if in favour, to pass the following as an ordinary Resolution:

2. ‘That Mrs Angela Obree, who retires by rotation under rule 16.1 of the Company’s constitution, and being eligible, be re-elected as a Director.’

Note:

Information about the candidate appears in the Explanatory Memorandum.

ITEM 4

Resolution: 3

Approval Of Entry Into Capital Commitment For ECP Private Growth Fund

By Order of the Board



Scott Barrett
Company Secretary
3 October 2025

3. 'That for the purposes of ASX Listing Rule 10.1 and for all other purposes, the Company enter into the Capital Commitment for investment in the ECP Private Growth Fund, on the terms and conditions set out in the Explanatory Notes to this Notice of Meeting.'

Voting Exclusion:

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- (a) Emmanuel Pohl; or
- (b) an associate of a party named in paragraph (a).

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- (b) the person acting as Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



NOTES:

- (a) A Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) If the proxy form specifies the way the proxy is to vote on a particular Resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form.
- (e) If the proxy has two or more appointments that specify different ways to vote on the Resolution, the proxy must not vote on a show of hands.
- (f) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (g) The Company has determined under regulation 7.11.37 Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7.00pm (AEST) on Tuesday, 28 October 2025.
- (h) If you have any queries on how to cast your votes call the Company's share registry, Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) during business hours.

Proxies must be received before 12:00 Noon (AEST) on Tuesday 4 November 2025
by one of the following methods:

Boardroom Pty Limited	
By Post:	GPO Box 3993, Sydney NSW 2001
By Delivery:	Level 8, 210 George Street, Sydney NSW 2000
By Facsimile:	+61 2 9290 9655
By Voting Online:	www.votingonline.com.au/fsiagm2025

The Company reserves the right to declare invalid any proxy not received in this manner.

FLAGSHIP INVESTMENTS LIMITED

ABN 99 080 135 913

2025 Annual General Meeting Explanatory Notes

ITEM 1

Financial Statements and Reports

The Corporations Act requires that the report of the Directors, the Auditor's Report and the Financial Report be laid before the Annual General Meeting. In addition, Flagship Investments Limited's (The Company's) constitution provides for these reports to be received and considered at the meeting.

Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of Shareholders at the Annual General Meeting on the Financial Statements and Reports.

Shareholders will be given reasonable opportunity at the meeting to raise questions and make comments on these reports.

In addition to asking questions at the meeting, Shareholders may address written questions to the Chairman about the management of the Company or to the Company's Auditor, Augmented Audit Co Pty Ltd, if the question is relevant to:

- a) the content of the Auditor's Report; or
- b) the conduct of its audit of the Annual Financial Report to be considered at the meeting.

Note:

Under section 250PA(1) Corporations Act a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

Written questions for the auditor must be delivered by 5:00pm (AEST) on or before Thursday 30 October 2025. Please send any written questions for Augmented Audit Co Pty Ltd to the Company at the address listed on the proxy form attached to this Notice.

ITEM 2

RESOLUTION 1: Adoption of Directors' Remuneration Report

The Corporations Act requires that the section of the Directors' report dealing with the remuneration of Directors, and the Company Secretary (**Remuneration Report**) be put to the vote of Shareholders for adoption.

The resolution of Shareholders is advisory only and **not binding** on the Company. However, if more than 25% of the votes cast on this Resolution are against the adoption of the Remuneration Report, the Remuneration Report for the following year must either address any comments received from Shareholders or explain why no action has been taken in response to those comments.

If, at the following Annual General Meeting the Remuneration Report is voted against by 25% or more of votes cast, a 'spill resolution' will be put to Shareholders. If at least 50% of the votes cast are in favour of the 'spill resolution' a special meeting of the Company will be held within 90 days at which the Directors in office at the time of the second Annual General Meeting must resign and stand for re-election.

The Remuneration Report is in the 2025 Annual Report. It is available to be viewed on the Company's website www.flagshipinvestments.com.au



EXPLANATORY NOTES

(Continued)

THE REPORT:

- a) explains the Board's policies on the nature and level of remuneration paid to the Directors and Company Secretary within the Company;
- b) discusses the link between the Board's policies and the Company's performance;
- c) sets out the remuneration details for each Director;
- d) provides details on any service agreements, share based compensation arrangements and related party transactions; and
- e) makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives, including executive Directors.

The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

As RESOLUTION 1 relates to matters including the remuneration of the Directors, the Board, as a matter of good corporate governance, and in accordance with the spirit of section 250R(4) Corporations Act, makes no recommendation regarding this resolution.

ITEM 3

RESOLUTION 2: Re-election of Mrs Angela Obree

Mrs Angela Obree retires by rotation in accordance with rule 16.1 of the Company's Constitution and, being eligible, offers herself for re-election.

Mrs Obree has been a Director of the Company since 29 September 2021 and is the Chairman of the Company's Audit and Risk Committee. Mrs Obree has over 26 years' experience in management consulting in the UK, South Africa, Ireland, and Germany. She is a highly experienced commercial mediator, negotiation expert, and corporate crisis leader.

Further information regarding her directorships, experience and qualifications are contained in the Directors' Report of the 2025 Annual Report. This information can also be viewed on the Company's website: <https://www.flagshipinvestments.com.au/>

The Board (with Mrs Obree abstaining) unanimously support the re-election of Mrs Angela Obree as a Director and recommend that Shareholders vote in favour of RESOLUTION 2.

ITEM 4

RESOLUTION 3: Approval Of Entry Into Capital Commitment For ECP Private Growth Fund

(1) Background

- (a) The management services agreement (**MSA**) between the Company and EC Pohl & Co Pty Ltd (the **Manager** or **ECPAC**) sets out the services that the Manager will provide to the Company, details of the MSA are set out in the Annual Report. Services provided under the MSA include but are not limited to:
 - (i) managing the investment of the Company's investment portfolio, including keeping it under review;
 - (ii) ensuring investments by the Company are only made in 'Authorised Investments' as part of the Manager's investment mandate; and
 - (iii) complying with the Investment Policy of the Company.
- (b) The primary asset class that is an 'Authorised Investment' under the MSA is listed securities quoted on a recognised stock exchange, which includes any security of whatsoever nature which the Manager expects will be quoted on a stock exchange within a six month period from the date of investment. The Manager is also authorised to invest in unlisted securities that are not quoted on any stock exchange or on a listing market provided that the amount invested in unlisted securities does not exceed 10% in value of the Company's investment portfolio at the time of the investment. 'Securities' is broadly defined in the MSA to include shares, units or notes which are redeemable, preference or deferred, fully or partly paid, with or without par value and any right, title or interest thereto or therein (including a right to subscribe for or convert to any such securities whether listed on ASX or not).
- (c) The Company is also limited by the terms of its convertible notes (maturing in October 2026) from holding more than 15% of its investment portfolio in unlisted securities, unless otherwise approved by special resolution of noteholders.
- (d) Since the Company's IPO, investments in unlisted securities have been limited to opportunities. As at 2 October 2025, being the last practical date before the issue of this Notice of Meeting, the Company did not directly hold any unlisted securities.
- (e) As at 30 June 2025, the value of investments in the Company's investment portfolio was approximately \$83,563,794, meaning the Manager has capacity to invest up to \$8,356,379 in unlisted securities under the terms of the MSA.

(2) ECP Private Growth Fund

- (a) The ECP Private Growth Fund (the **Fund**) is an unregistered managed investment scheme, the trustee of which is EC Pohl & Co RE Ltd ACN 671 793 365, AFSL 554769 (the **Trustee** or **ECPRE**). ECPRE is a 100% owned subsidiary of ECPAC. The investment manager of the Fund is ECP Asset Management Pty Ltd (ABN 26 158 827 582) (**ECPAM**). The Fund is not required to be, and is not, registered as a managed investment scheme with ASIC because investment in the Fund is only available to wholesale clients (as defined in section 761G of the Corporations Act).
- (b) The strategy of the Fund is to invest in a minority stake in private companies across all industries that have the intention to list on a stock exchange within 12 to 36 months from the Fund's investment.
- (c) Investors will invest in the Fund by providing a capital commitment where they commit to pay the relevant amount in exchange for units. Capital commitments are drawn down by the Trustee as the Fund prepares to make investments into new companies. Investors are issued units in separate classes, with each class of unit being referable to a different investee company of the

Fund. The amount that an investor may contribute for each investment opportunity and which is drawn down under the capital commitment is agreed between the Trustee and the investor.

- (d) An Exit Event for an investment of the Fund is expected to be achieved when there is a substantial transaction relating to the assets referable to a class of units (e.g. the sale of those assets by the Trustee), or the listing of those assets on the ASX or other exchanges. Upon a successful Exit Event for an investment, investors may either:
 - (i) make a withdrawal request from the class of units to the Trustee; or
 - (ii) make a written request to the trustee to continue holding their units in the relevant class, and the Trustee may in its absolute discretion choose to accept or reject this request.
- (e) The only fee that ECPAM is entitled to as investment manager of the Fund is a performance fee of 20% of the Fund's realised return in a class of units in excess of the return of capital to investors in that class. The performance fee is payable to ECPAM via a distribution on sponsor units held by ECPAM in each class of unit.
- (f) No fees are payable out of the assets of the Fund to ECPRE for acting as trustee of the Fund; however, ECPAM has agreed to pay the Trustee a fee calculated as a percentage of distributions received by ECPAM from its sponsor units in the Fund.
- (g) Both ECPAM and ECPRE will be entitled to be paid or reimbursed out of the assets of the Fund for operating costs and expenses associated with the operations of the Fund.
- (h) An investment memorandum for the Fund was first issued by the Trustee in December 2024 and since then the Trustee has raised approximately \$7.9 million in capital commitments from wholesale clients and has fully deployed this into investment opportunities.

(3) Entry into Capital Commitment for investment in the ECP Private Growth Fund

- (a) The Manager as part of its mandate monitors pre-IPO opportunities for the Company. In a recent pre-IPO deal the Company missed out on an allocation as the majority of stock had already been committed to the early-stage investors. This has become a theme in the Australian market where quality IPO's have become less frequent and the potential returns incentivise participation from the existing investors. To ensure clients of ECPAC can access these opportunities, the Manager created an unregistered scheme aimed at finding these investment opportunities.
- (b) ECPRE has offered a capital commitment to the Company to gain access to the pre-IPO quality companies that would form part of the ordinary portfolio if the investment was already listed. For the investee company, they are looking to deal with a small number of investors who can provide sufficient capital to support their mission as well as skills and other resources to help the company in its lead up to IPO. These companies do not want to be dealing with multiple smaller shareholders and will not accept ad hoc investments even from related parties of ECPAC. Within the structure of the ECP Private Growth Fund the company will get to participate in opportunities that simply would not be possible otherwise.
- (c) Subject to Shareholder approval, the Company intends to enter into a subscription agreement with the Trustee pursuant to which it will make a capital commitment to invest up to \$11.9 million in the Fund (the **Capital Commitment**). The Capital Commitment will be made subject to the following parameters:
 - (i) investment in any one investment opportunity of the Fund is capped at 5% of the equity interests of the Company at the time of investment; and
 - (ii) the Company cannot own more than 40% of the units offered in each class of unit,
- (d) If fully deployed, the Capital Commitment would represent 14.2% of the Company's investment portfolio (calculated as at 30 June 2025).

(4) Listing Rule 10.1 requirements

- (a) Listing Rule 10.1 provides that the Company must ensure that it does not, without the approval of its Shareholders, acquire or agree to acquire a 'substantial asset' from:
- (i) a person who is a related party of the Company (Listing Rule 10.1.1);
 - (ii) a child entity of the Company (Listing Rule 10.1.2);
 - (iii) a person who is, or was at any time in the 6 months before the transaction or agreement, a substantial (10%) holder in the Company (Listing Rule 10.1.3);
 - (iv) a person who is an associate of a person referred to in Listing Rules 10.1.1 to 10.1.3; or
 - (v) a person whose relationship to the Company or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by Shareholders (Listing Rule 10.1.4).
- (b) Listing Rule 10.2 provides that an asset is substantial if its value or the value of the consideration being paid or received by the entity for it, or in ASX's opinion is, 5% or more of the equity interests of the entity, as set out in the latest accounts given to ASX under the Listing Rules. The Company's total equity as set out in its accounts for the financial year ended 30 June 2025 (given to the ASX on 29 August 2025) was \$59,554,389. For the purpose of Listing Rule 10.2, the applicable 5% substantial asset threshold is \$2,977,719.
- (c) Shareholder approval under Listing Rule 10.1 is required before the Company enters into the Capital Commitment because:
- (i) ECPRE, which is the trustee of and issuer of units in the Fund, is a related party of the Company because it is controlled by Dr Emmanuel Pohl AM and:
 - (A) Dr Pohl is a director of the Company (Listing Rules 10.1.1 and 10.1.4); and
 - (B) Dr Pohl controls EC Pohl & Co Pty Ltd ACN 154 399 916, which has a relevant interest in 40.1% of the issued share capital of the Company (Listing Rules 10.1.3 and 10.1.4); and
 - (ii) the Capital Commitment is considered a 'substantial asset' because, if called in full by the Trustee, it would exceed 5% of the equity interests of the Company as set out in its latest accounts given to ASX under the Listing Rules (refer to paragraph (1)(b) above).

(5) Information required by Listing Rule 10.1

For the purposes of Listing Rule 10.5, the following information is provided to Shareholders in relation to the Capital Commitment:

Name of person from whom the Company is acquiring the substantial asset	ECPRE is the trustee and issuer of units in the Fund. By making an investment in the Fund, the Company will be issued new units in the Fund by ECPRE.
Applicable category under Listing Rules 10.1.1 – 10.1.5	Details of the persons and categories under Listing Rule 10.1 that apply to the proposed transaction are set out in paragraph (4)(c)(i) above.
The substantial asset	Units in the Fund. Units may be issued in different classes, with each class being referable to securities held by the Fund in a different investee company.

The consideration for the substantial asset	Generally, the application price for a Unit in a new class will be \$1.00. The aggregate consideration payable by the Company in relation to a particular class of unit in the Fund will vary between investment opportunities, noting that: (a) the aggregate amount the Company may invest in the Fund will be limited to \$11.9 million (per the Capital Commitment); (b) investment in any one investment opportunity of the Fund is capped at 5% of the equity interests of the Company at the time of investment; and (c) the Company cannot own more than 40% of the units offered in each class of the fund.
The intended source of funds to pay for the acquisition	Amounts invested by the Company in the Fund under the Capital Commitment will be sourced from the Company's cash reserves or by selling marketable securities of the Company.
Timetable for completing the transaction	The company will sign the subscription agreement immediately following approval from shareholders.
Material terms of the transaction	The Capital Commitment will be documented under a subscription agreement between the Company and ECPRE in its capacity as trustee for the Fund. The terms of the subscription agreement will provide that: (a) the Company makes a capital commitment to invest up to \$11.9 million in the Fund; (b) investment in any one investment opportunity of the Fund is capped at 5% of the equity interests of the Company at the time of investment; and (c) the Company cannot own more than 40% of the units offered in each class of the Fund. (d) ECPRE will make capital calls on the capital commitment as it prepares to make an investment into a new investee company. ECPRE will provide the Company with details of the investment opportunity by sending a supplementary information memorandum setting out the details of the opportunity; (e) The Company may choose to accept the capital call by written notice to ECPRE. The Company must pay the amount of a capital call within 10 business days of the capital call notice issued by ECPRE; The terms of the subscription agreement entered into between the Company and ECPRE will be on the same or materially similar terms (save as for the capital commitment

	amount and additional investment limitations outlined above) as between ECPRE and other investors in the Fund.
Voting exclusion statement	A voting exclusion statement is included in this Notice of Meeting in the form required under Listing Rule 14.11.
Independent Expert's Report	The Company engaged BDO Corporate Finance Ltd to provide a report on whether the Capital Commitment is fair and reasonable to Non-Associated Shareholders of the Company. A copy of the report is annexed to this Notice of Meeting.

(6) Independent Expert's Report

- (a) The Board has appointed BDO Corporate Finance Ltd (**Independent Expert**) as an independent expert to prepare the Independent Expert's Report in respect of the Capital Commitment. The Independent Expert's Report is included in Annexure A and forms part of this Notice of Meeting.
- (b) The Independent Expert's Report includes a detailed assessment and consideration of the Capital Commitment. The Independent Expert has concluded that the Capital Commitment is fair and reasonable to **Non-Associated Shareholders**, being the holders of ordinary shares in the Company whose votes are not to be disregarded.
- (c) A summary of the Independent Expert's Report is included below. The Board recommends Shareholders read the Independent Expert's Report in full.

Reasonableness

- (d) In considering whether the Capital Commitment is reasonable, the Independent Expert considered the key advantages and disadvantages of the Capital Commitment.

Key advantages

- (e) The Independent Expert's Report noted the following key advantages of the Capital Commitment outlined in the resolution for both the Company and its existing Shareholders:
 - (i) Access to Pre-IPO Investments
 - (ii) Alignment with FSI Investment Philosophy
 - (iii) Performance-based fees only; and
 - (iv) Choice of investment class and capital value.

Key disadvantages

- (f) The key disadvantages of the Capital Commitment noted in the Independent Expert's Report include:
 - (i) Governance and risk oversight
 - (ii) Performance fee exposure; and
 - (iii) Fund and capital management.
- (g) Based on the above, the Independent Expert concluded that the Capital Commitment is reasonable for the Non-Associated Shareholders of the Company.

Fairness

- (h) In considering whether the Capital Commitment is fair, the Independent Expert considered and assessed the following:
 - (i) the value of the Capital Commitment provided by FSI to the Fund under the Subscription Agreement with the opportunity, at the Manager and Board's discretion, to participate in pre-IPO investments identified by the Fund; and
 - (ii) the Fund previously raised \$7.9 million in capital commitments from unrelated and related wholesale clients on similar terms that has since been fully deployed. Having regard to this mechanism, the financial benefit available to FSI (being access to otherwise unavailable pre-IPO opportunities on market terms and with full flexibility) is considered at least equivalent to the consideration provided through the Capital Commitment.
- (i) Based on the above, the Independent Expert concluded that the Capital Commitment is fair for the Non-Associated Shareholders of the Company

(7) Information required by Listing Rule 14.1A

- (a) If Non-Associated Shareholders approve the Company's entry into the Capital Commitment, the Company will enter into a subscription agreement with ECPRE in relation to the Capital Commitment and the Company will be permitted to subscribe for units in the Fund up to the Capital Commitment amount. If the Resolution is passed, the Company will not breach ASX Listing Rule 10.1.
- (b) In the event the Non-Associated Shareholders do not approve the Company's entry into the Capital Commitment, then the Company would only be permitted to proceed with the capital commitment in the Fund to the extent the aggregate committed capital, inclusive of any subsequent increase in the commitment, is not a 'substantial asset', meaning the commitment would currently be limited to \$2,977,719 (refer to paragraph (1)(b) above). The Company has not determined whether it would proceed with an investment in the Fund in these circumstances and would assess any investment having regard to the related party transaction considerations outlined in paragraph (9) below.

(8) Voting Exclusions

The Company will disregard any votes cast in favour of this Resolution by or on behalf Emmanuel Pohl, or any associate of Emmanuel Pohl.

(9) Related party disclosures

- (a) Chapter 2E of the Corporations Act regulates the giving of financial benefits to a related party by a public company (or an entity controlled by a public company). Under section 228 of the Corporations Act, ECPRE is a related party of the Company because ECPRE is controlled by Emmanuel Pohl and Emmanuel Pohl is a director of the Company.
- (b) Under the proposed Capital Commitment, ECPRE will issue units in the Fund to the Company in consideration for the Company paying the applicable subscription amount for those units. Although ECPRE does not directly benefit from the issue of units in the Fund and is not entitled to a management fee out of the assets of the Fund for acting as trustee of the Fund, ECPRE may receive an indirect financial benefit from the Company's investment in the Fund through the receipt of amounts from ECPAM that ECPAM will derive from its performance fee in relation to the investments of the Fund (refer to paragraph (1)(f) above).
- (c) In the ordinary course, Shareholder approval is required to give such a benefit, subject to certain exceptions contained in sections 210 to 216 of the Corporations Act.
- (d) One such exception, in section 210 of the Corporations Act, is where a financial benefit is given on terms that would be reasonable in the circumstances if the Company and ECPRE were dealing at arm's length or on terms that are less favourable to ECPRE than such arm's length terms.

- (e) ASIC has stated that, in considering whether the arm's length exception applies, public companies should consider the following:
- (i) how the terms of the overall transaction compare with those of any comparable transactions on an arm's length basis;
 - (ii) the nature and content of the bargaining process;
 - (iii) the impact of the transaction on the company;
 - (iv) any other options available to the company; and
 - (v) any expert advice received by the company.
- (f) ASIC's guidance states that a good indicator of arm's length terms is whether the terms of similar transactions completed in similar circumstances but between unrelated parties in a contract for legitimate commercial bargain are comparable to the proposed related party transaction terms.
- (g) Other than the limitations that have been self-imposed by the Company in relation to the proposed Capital Commitment as set out in paragraph (1)(c) above, the Company:
- (i) will invest in the Fund on the same terms as other investors in the Fund; and
 - (ii) will be issued units at the same price per unit as other investors in the Fund.
- (h) The Directors, with Dr Pohl abstaining, are of the opinion that the Capital Commitment is on arm's length terms, and therefore Shareholder approval under section 208 of the Corporations Act is not required.

The Directors (with Dr Pohl abstaining) recommend that Shareholders vote **IN FAVOUR** of **RESOLUTION 3**.

All Correspondence to:

 **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

 **By Fax:** +61 2 9290 9655

 **Online:** www.boardroomlimited.com.au

 **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 12:00pm (AEST) on Tuesday 4 November 2025.**

TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/fsiagm2025>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities, your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **12:00pm (AEST) on Tuesday 4 November 2025.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

 **Online** www.votingonline.com.au/fsiagm2025

 **By Fax** + 61 2 9290 9655

 **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

 **In Person** Boardroom Pty Limited
Level 8, 210 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1APPOINT A PROXY

I/We being a member/s of **Flagship Investments Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **McCullough Robertson Lawyers, Level 11, Central Plaza Two, 66 Eagle Street, Brisbane QLD 4000 on Thursday 6 November 2025 at 12:00pm (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that Resolution.

STEP 2VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Directors' Remuneration Report			
Resolution 2	Re-election of Director Mrs Angela Obree			
Resolution 3	Approval Of Entry Into Capital Commitment For ECP Private Growth Fund			

STEP 3SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2025

Flagship Investments Limited

Independent Expert's Report

Opinion:

The Proposed Transaction is Fair and Reasonable

29 September 2025

FINANCIAL SERVICES GUIDE

Dated: 29 September 2025

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDOCF holds an Australian Financial Services Licence to provide the following services:

- a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, and interests in managed investment schemes excluding investor directed portfolio services;
- b) Arranging to deal in financial products in relation to securities; and
- c) Applying for, acquiring, varying or disposing of a financial product in relation to interests in managed investment schemes excluding investor directed portfolio services, and securities.

General Financial Product Advice

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently, any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

The Assignment

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide an independent expert's report to the shareholders of Flagship Investments Limited ('FSI' or 'the Company') in relation to a Subscription Agreement ('the Subscription Agreement') with EC Pohl & Co RE Ltd ('ECPRE') pursuant to which it will make a capital commitment ('the Capital Commitment') to invest up to \$11.9 million in the ECP Private Growth Fund ('the Fund') ('the Proposed Transaction').

Further details of the Proposed Transaction are set out in Section 4. The scope of this Report is set out in detail in Section 3.3. This Report provides an opinion on whether or not the Proposed Transaction is 'fair and reasonable' to the non-associated FSI shareholders ('the Non-Associated Shareholders') and has been prepared to provide information to the Non-Associated Shareholders to assist them to make an informed decision on whether to vote in favour of or against the Proposed Transaction. Other important information relating to this Report is set out in more detail in Section 3.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

Fees, Commissions and Other Benefits we may Receive

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately \$35,000.00 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Transaction.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDOCF may receive a share in the profits of BDO Group Holdings Limited, a parent entity of BDOCF. All directors and employees of BDO Group Holdings Limited and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Group Holdings Limited, the person is entitled to share in the profits of BDO Group Holdings Limited.

Associations and relationships

From time to time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. BDOCF has not provided any professional services to FSI in the last two years.

The signatories to this Report do not hold any shares in FSI and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

Complaints Resolution

Internal Complaints Resolution Process

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

Referral to External Dispute Resolution Scheme

BDO Corporate Finance is a member of Australian Financial Complaints Authority ('AFCA') (Member Number 10236).

Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the AFCA using the contact details set out below.

Australian Financial Complaints Authority Limited
Mail: GPO Box 3, Melbourne VIC 3001
Online Address: <http://www.afca.org.au>
Email: info@afca.org
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter Service: 131 450

Compensation Arrangements

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act 2001.

Contact Details

BDO Corporate Finance Ltd

Location Address:	Postal Address:
Level 10 12 Creek Street BRISBANE QLD 4000	GPO Box 457 BRISBANE QLD 4001
Phone: (07) 3237 5999	Email: cf.brisbane@bdo.com.au
Fax: (07) 3221 9227	

CONTENTS

Financial Services Guide	i
PART I: ASSESSMENT OF THE PROPOSED TRANSACTION	1
1.0 Introduction	1
2.0 Assessment of the Proposed Transaction	2
2.1 Basis of evaluation	2
2.2 Assessment of fairness	2
2.3 Assessment of reasonableness	4
2.4 Opinion	6
3.0 Important information	7
3.1 Read this Report, and other documentation, in full	7
3.2 Shareholders' individual circumstances	7
3.3 Scope	7
3.4 Purpose of this Report	8
3.5 Current market conditions	8
3.6 Reliance on information	9
3.7 Glossary	9
3.8 Sources of information	9
3.9 APES 225 Valuation Services	9
3.10 Forecast information	10
3.11 Qualifications	10
PART II: INFORMATION SUPPORTING OUR OPINION ON THE PROPOSED TRANSACTION	11
4.0 Overview of the Proposed Transaction	11
4.1 Summary of the Proposed Transaction	11
4.2 Strategic rationale of the Non-Associated Directors for the Proposed Transaction	13
4.3 Description of the key parties involved in the Proposed Transaction	14
5.0 Background of FSI	16
5.1 Background	16
5.2 Management Services Agreement	17
5.3 Key Personnel	18
5.4 Equity structure of FSI	19
5.5 Share trading data of FSI	20
5.6 Historical financial information of FSI	22
6.0 Industry Overview	26
6.1 Funds Management Services Industry	26
6.2 Funds	26
6.3 Products	27
6.4 Fees	28
Appendix A: Glossary	29

PART I: ASSESSMENT OF THE PROPOSED TRANSACTION

The Non-Associated Shareholders
Flagship Investments Limited
C/- The Non-Associated Directors
Level 12, Corporate Centre One
2 Corporate Court
Bundall QLD 4217

29 September 2025

Dear Shareholders,

1.0 Introduction

BDO Corporate Finance Ltd ('BDOCF', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the non-associated shareholders ('Non-Associated Shareholders') of Flagship Investments Limited ('FSI' or 'the Company'). FSI is managed by EC Pohl & Co Pty Ltd ('the Manager' or 'ECPAC').

This Report relates to a subscription agreement ('the Subscription Agreement') with EC Pohl & Co RE Ltd ('ECPRE') pursuant to which FSI will make a capital commitment ('the Capital Commitment') to invest up to \$11.9 million in the ECP Private Growth Fund ('the Fund') ('the Proposed Transaction').

The Capital Commitment will be made subject to the following parameters:

- ▶ Investment in any one investment opportunity of the Fund is capped at 5.0% of the equity interests of the Company at the time of investment; and
- ▶ The Company cannot own more than 40.0% of the units offered in each class of unit.

If fully deployed, the Capital Commitment would represent 14.2% of the Company's investment portfolio (calculated as at 30 June 2025).

Shareholder approval under the Australian Securities Exchange ('ASX') Listing Rule 10.1 is required before the Company enters into the Capital Commitment because:

- ▶ ECPRE is a related party of the Company because it is controlled by Dr Emmanuel Pohl AM ('Dr Pohl') and:
 - Dr Pohl is a director of the Company; and
 - Dr Pohl controls ECPAC, which has a relevant interest in 40.1% of the issued share capital of the Company; and
 - The Capital Commitment is considered a 'substantial asset' because, if called in full by ECPRE, it may exceed 5.0% of the equity interests of the Company as set out in its latest accounts given to ASX under the Listing Rules.

A more detailed description of the Proposed Transaction is set out in Section 4.

In this Report, BDOCF has expressed an opinion as to whether or not the Proposed Transaction is 'fair and reasonable' to the Shareholders. This Report has been prepared solely for use by the Non-Associated Shareholders to provide them with information relating to the Proposed Transaction. The scope and purpose of this Report are detailed in Sections 3.3 and 3.4 respectively.

This Report, including Part I, Part II and the appendices, should be read in full along with all other documentation provided to the Shareholders including the Notice of Meeting and Explanatory Memorandum dated 3 October 2025 prepared by FSI ('the Notice of Meeting') in relation to the general meeting to be held on 6 November 2025 ('the Meeting').

2.0 Assessment of the Proposed Transaction

This section is set out as follows:

- ▶ Section 2.1 sets out the methodology for our assessment of the Proposed Transaction;
- ▶ Section 2.2 sets out our assessment of the fairness of the Proposed Transaction;
- ▶ Section 2.3 sets out our assessment of the reasonableness of the Proposed Transaction; and
- ▶ Section 2.4 provides our assessment of whether the Proposed Transaction is fair and reasonable to the Shareholders.

2.1 Basis of evaluation

This Report has been prepared for the purpose of meeting certain requirements of the ASX Listing Rules (refer Section 3.4 below).

The ASX Listing Rules do not provide guidance in relation to the definition of ‘fair and reasonable’. In determining whether the Proposed Transaction is considered fair and reasonable we have had regard to the guidance provided by Regulatory Guide 111: *Content of Expert Reports* (‘RG 111’) and Regulatory Guide 76: *Related Party Transactions* (‘RG 76’). RG 111 provides guidance as to what matters an independent expert should consider to assist security holders to make an informed decision about transactions. RG 76 provides guidance on the operation of the related party provisions of the *Corporations Act 2001 (Cth)* (‘the Corporations Act’) and their interaction with the ASX Listing Rules.

RG 111 suggests that where an expert is to assess whether a related party transaction is ‘fair and reasonable’ for the purpose of complying with ASX Listing Rule 10.1, the assessment should not be applied as a composite test. That is, the expert should assess separately whether the transaction is ‘fair’ and whether it is ‘reasonable’. The expert’s report should explain how the particulars of the transaction were evaluated as well as the results of the examination and evaluation.

We have assessed the fairness and reasonableness of the Proposed Transaction in Sections 2.2 and 2.3 below and concluded on our opinion of the Proposed Transaction in Section 2.4 below.

2.2 Assessment of fairness

2.2.1 Basis of assessment

RG 111 states that a related party offer is fair if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity.

Under RG 111, in the case of the Proposed Transaction, the Capital Commitment constitutes the financial benefit to be provided to the Fund. In return for providing the Capital Commitment, FSI (through the Manager) will be provided the opportunity, at their discretion, to participate in pre-IPO investments identified by the Fund.

Having regard to the above, the Proposed Transaction is ‘fair’ if the value of the Capital Commitment is equal to or less than the value of the opportunity to participate in pre-IPO investments identified by the Fund.

2.2.2 Value of the financial benefit offered to the Fund under the Subscription Agreement

Under the Subscription Agreement, the consideration to be provided by FSI to the Fund comprises a Capital Commitment to invest up to \$11.9 million. This Capital Commitment of up to \$11.9 million represents the maximum amount that FSI may invest in the Fund. Importantly, the commitment is not unconditional. FSI, acting through the Manager and the board of directors of FSI (‘the Board’), retains the right to determine whether, and to what extent, it participates in each investment opportunity proposed by ECPRE, with amounts drawn only when FSI elects to subscribe for units in a new class of the Fund.

Accordingly, the value of the consideration to the Fund is variable, depending on the extent to which FSI chooses to subscribe to any given opportunity provided by the Fund up to \$11.9 million.

2.2.3 Value of the financial benefit to be received by FSI under the Subscription Agreement

Under the Subscription Agreement between FSI and ECPRE, the financial benefit to FSI arises from the ability to access pre-IPO investment opportunities through the acquisition of units in a newly created class of the Fund. The non-associated directors of FSI (‘the Non-Associated Directors’) have advised us that the Manager has been unable to access these investments directly for FSI as these pre-IPO opportunities are typically unavailable to retail investors and most LICs, as the investee companies prefer to deal with a small number of key investors. By participating in the Fund, FSI gains exposure to businesses at an earlier stage than would otherwise be possible through its traditional listed equity strategy, enabling it to capture potential valuation uplift associated with the transition from private to public markets. Importantly, FSI will participate in each investment opportunity on the same pricing and terms as unrelated wholesale investors¹, providing some validation that the investments are being made at arm’s length market value.

¹ By way of example, the Fund had raised an initial \$7.9 million capital commitments from wholesale clients on similar terms and has fully deployed this into investment opportunities on behalf of the wholesale investors.

At the time of subscription, each new class of units will not have underlying assets. Accordingly, the application price of \$1.00 per unit represents a nominal entry value that serves as the base for measuring future performance and does not incorporate any premium for existing assets or goodwill.

We note that the Fund does not charge an ongoing management fee, and only minimal administration costs (such as registry and compliance) is covered by the trustee.² As a result, FSI's committed capital under the Subscription Agreement can be fully deployed into investee companies.

The Subscription Agreement provides FSI with the following amendments:

- ▶ For each proposed investment opportunity, the Fund will issue a supplementary information memorandum to the Manager. FSI, acting through the Manager and Board, retains absolute discretion to elect whether to participate in that opportunity;
- ▶ The Company, acting through the Manager and Board, may nominate the value of the capital committed to an individual opportunity;
- ▶ The Company may only invest in a class of units by complying with the following restrictions:
 - The aggregate amount the Company may invest in the Fund will be limited to the Capital Commitment; and
 - Investment in any one investment opportunity of the Fund is capped at 5.0% of the equity interests of the Company at the time of investment; and
 - The Company cannot own more than 40.0% of the units offered in each class of the Fund.
- ▶ The default consequences ordinarily applicable under the Fund's information memorandum for failure to meet a capital call do not apply to FSI under the Subscription Agreement.

We note the Fund has already raised capital from unrelated wholesale investors on materially the same terms and have committed this capital to an investment opportunity. The acceptance of these terms by independent third parties provides additional evidence that the pricing and structure of terms reflects an arm's length arrangement.

2.2.4 Assessment of the fairness of the Proposed Transaction

In assessing fairness, we compared the value of the Capital Commitment provided by FSI to the Fund under the Subscription Agreement (Section 2.2.2) with the opportunity, at the Manager and Board's discretion, to participate in pre-IPO investments identified by the Fund (Section 2.2.3).

The Proposed Transaction provides FSI with the ability, rather than an obligation, to participate in pre-IPO opportunities identified by the Fund. The directors of FSI and the Manager consider that these opportunities are otherwise difficult to access for a LIC with a predominantly retail shareholder base. The transaction structure ensures:

- ▶ Flexibility: The Company is not obligated to subscribe in any opportunity and may nominate its level of participation, thereby aligning commitments with its investment mandate and risk appetite;
- ▶ Alignment with mandate: FSI's investment mandate already permits up to 10% of its portfolio to be invested in unlisted securities. The Proposed Transaction provides a structured mechanism to pursue such investments;
- ▶ Comparable terms: Independent wholesale investors have accepted materially the same terms, which suggests the pricing and structure are consistent with arm's length arrangements; and
- ▶ Mitigation of risk: FSI can decline opportunities it considers unsuitable to its shareholders or beyond its capability to commit to, thereby avoiding default penalties and forced capital calls. Participation remains solely at FSI's election, with no obligation to commit unless it has elected to do so.

Although the ultimate investments to be made under the Capital Commitment cannot be determined in advance, the structure of the Subscription Agreement ensures that FSI only commits capital where opportunities are aligned with its investment mandate and risk appetite. Importantly, FSI will participate in each investment opportunity on the same pricing and terms as unrelated wholesale investors, which provides some confidence that investments are being undertaken at market value. We note that ownership in the Fund is limited to 40% of units and will likely contain unrelated wholesale clients on the same terms as previously done in the Fund's last investment opportunity. We note the Fund previously raised \$7.9 million in capital commitments from unrelated and related wholesale clients on similar terms that has since been fully deployed. Having regard to this mechanism, the financial benefit available to FSI (being access to otherwise unavailable pre-IPO opportunities on market terms and with full flexibility) is considered at least equivalent to the consideration provided through the Capital Commitment.

On this basis, we consider that in the absence of any further information, the Proposed Transaction is **Fair** to the Non-Associated Shareholders of FSI.

² While this is not set out in the Proposed Transaction documentation, we have been advised by Management that the minimal administration costs (e.g. registry and compliance) are borne by the administrator of the Fund (i.e. ECPAC).

2.3 Assessment of reasonableness

2.3.1 Basis of assessment

Under RG 111, a transaction is considered reasonable if it is fair. It might also be reasonable if, despite being ‘not fair’, the expert believes that there are sufficient reasons for security holders to vote in favour of the Proposed Transaction.

In addition to our fairness assessment set out in Section 2.2 above, to assess whether the Proposed Transaction is ‘reasonable’ we consider it appropriate to examine other significant factors to which the Non-Associated Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Proposed Transaction. This includes comparing the likely advantages and disadvantages of approving the Proposed Transaction with the position of a Non-Associated Shareholder if the Proposed Transaction is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Proposed Transaction is set out as follows:

- ▶ Section 2.3.2 sets out the advantages of the Proposed Transaction to the Non-Associated Shareholders;
- ▶ Section 2.3.3 sets out the disadvantages of the Proposed Transaction to the Non-Associated Shareholders;
- ▶ Section 2.3.4 sets out discussion of other considerations relevant to the Proposed Transaction;
- ▶ Section 2.3.5 sets out the position of the Non-Associated Shareholders if the Proposed Transaction is not approved; and
- ▶ Section 2.3.6 provides our opinion on the reasonableness of the Proposed Transaction to the Non-Associated Shareholders.

2.3.2 Advantages of the Proposed Transaction

Table 2.2 below outlines the potential advantages to the Non-Associated Shareholders of approving the Proposed Transaction.

Table 2.2: Potential advantages of the Proposed Transaction

Advantage	Explanation
The Proposed Transaction is fair	For the reasons summarised in Section 2.2.4 above, the Proposed Transaction is Fair to the Non-Associated Shareholders as at the date of this Report.
Access to pre-IPO investments	The Proposed Transaction provides FSI the potential opportunity to access unlisted and pre-IPO companies, in line with its mandate, that are typically reserved for institutional and strategic investors and not readily available to retail investors or most LICs. By leveraging the Fund’s pooled capital from multiple wholesale investors, FSI can participate in larger, higher-quality private opportunities, where scale may secure allocations in competitive transactions and enable the negotiation of more favourable terms and governance rights. The Proposed Transaction may also allow FSI to invest in companies earlier in their growth cycle, where valuation uplift is more likely to occur pre-IPO or strategic exit. By investing at this stage, the Fund may capture value creation typically realised by early investors, including earnings growth and multiple expansion, thereby enhancing long-term portfolio performance and shareholder returns (albeit with potentially increased risk).
Alignment with FSI investment philosophy	The Proposed Transaction is consistent with the Company’s existing investment mandate under the management services agreement (‘MSA’), which permits exposure to unlisted securities of the portfolio’s value at the time of investment. While the Proposed Transaction may require an amendment to FSI’s 10.0% private company exposure limit to accommodate the full \$11.9 million capital commitment (discussed further in other considerations below), the Fund’s strategy of investing in private companies pre-IPO aligns with the FSI’s focus on businesses they believe are high quality with strong fundamentals and long-term growth prospects. Participation through the Fund provides earlier-stage access to companies that may otherwise be considered for inclusion in the portfolio following their listing.
Performance-based fees only	The Fund’s fee structure is designed to align interests with those of investors by charging no fixed management fee and only earning a performance fee when actual realised gains exceed the return of invested capital upon an exit event. This structure creates a low cost of carry, meaning that if investments take longer to exit or generate returns, the ongoing fee cost to investors remains minimal. It also incentivises the Fund to focus on achieving successful exit events and maximising realised value, rather than simply growing assets under management. This approach reduces the risk of paying fees on unrealised or paper gains and ensures that the Fund is rewarded only when investors have an exit event over and above the capital they provided.
Choice of investment class and capital call value	The Proposed Transaction provides FSI with discretion to determine both participation and investment size for each new class of units in the Fund. FSI is not obliged to meet capital calls but may elect whether to invest and nominate the amount of each commitment, subject to the overall capital commitment. This flexibility allows opportunities to be assessed by the Manager and presented to the Board for approval, ensuring alignment with FSI’s investment mandate and enabling active management of portfolio concentration, liquidity and risk exposure.

Source: BDOCF analysis

2.3.3 Disadvantages of the Proposed Transaction

Table 2.3 below outlines the potential disadvantages to the Non-Associated Shareholders of approving the Proposed Transaction.

Table 2.3: Potential disadvantages of the Proposed Transaction

Disadvantage	Explanation
Governance and oversight risk	The Proposed Transaction involves a commitment to a private fund that is structured as an unregistered managed investment scheme. An unregistered scheme is not required to be registered with ASIC and is not subject to the statutory obligations imposed on registered schemes, including the requirement to have a compliance plan, a compliance committee, or a responsible entity that is a public company holding an AFSL. This increases reliance on the governance framework of the trustee and on FSI's own oversight of its participation in the Fund. For completeness, we note this governance risk would equally apply to any similar private fund or unlisted investment structure in which FSI may invest.
Performance fee exposure	The Proposed Transaction results in a layered fee arrangement. At the Fund level, FSI will incur a performance fee of 20.0% on all returns above the initial capital investment upon an exit event. No performance fee will be payable if the return upon exit event is less than the initial committed capital. At the FSI level, a separate performance fee of 15.0% is paid each financial year, and is applied on the investment returns of the portfolio for the financial year above the benchmark return for the financial year, as stipulated in the MSA. The FSI performance fee is paid annually in arrears if the performance fee for that financial year is a positive amount (i.e. not payable if the portfolio underperforms the benchmark for a particular financial year). Importantly, because the FSI performance fee is based on changes in reported portfolio value, a revaluation of the Fund's investment (for example, following a subsequent capital raise) may give rise to a performance fee payable by FSI to its Manager, even though no exit event has occurred. This dual performance fee structure reduces the net returns ultimately available to shareholders of FSI, relative to a direct investment made by FSI in a pre-IPO company. However, without access to the Fund structure, FSI may not be able to secure similar opportunities at all. For completeness, we note that performance fee exposure is a common feature of private investment structures and may similarly arise if FSI were to invest in another private fund or unlisted company.
Funding and capital management	Under the Proposed Transaction, FSI will need to fund capital calls it intends to participate in as and when they are made. If FSI chooses to accept the capital call and confirms by written notice to ECPRE, FSI must pay the capital call within 10 business days of the capital call notice issued by ECPRE. Although participation is at FSI's discretion, the Company must ensure it can fund investments without materially impacting its dividend policy or being forced to sell other assets at an inopportune time, particularly given the short capital call notice. A large capital commitment relative to NTA may also reduce flexibility to pursue other investment opportunities. Effective cash flow and portfolio management will be required to balance these commitments against liquidity needs, particularly in volatile market conditions. For completeness, we note this funding and liquidity risk would also arise in relation to any other private investment with a capital call period that FSI may make outside of the Fund.

Source: BDOCF analysis

2.3.4 Other considerations

The Proposed Transaction is expected to result in an amendment to the Management Services Agreement

To proceed with the Proposed Transaction and accommodate the full capital commitment of up to \$11.9 million, an amendment is required to the existing MSA between FSI and ECPAC. The current MSA restricts the Company's exposure to unlisted securities to 10.0% of the portfolio at the time of investment, however committing the full \$11.9 million represents 14.2% of FSI's portfolio. Amending the MSA introduces governance considerations, as it alters the risk profile of the portfolio and expands the Investment Manager's discretion to allocate capital to private assets. Shareholders should consider whether this change aligns with their expectations of FSI's investment strategy and risk tolerance, as it increases the allocation to private market investments relative to a listed equity mandate.

Exit uncertainty for Fund investments

While IPOs are a potential exit pathway, they depend on prevailing market conditions, which may be volatile and outside the control of the Fund or FSI. IPOs may be delayed, repriced on less favourable terms, or cancelled altogether. There is also no guarantee or certainty of a trade sale, secondary sale, or other exit. In such cases, capital may remain tied up for longer than expected or be realised at a lower value than the initial capital commitment.

Illiquidity of the Fund investment

As the underlying investments are unlisted, they are illiquid and cannot be withdrawn until an exit event occurs (e.g. IPO or trade sale). There is no certainty that such an exit will occur within the expected timeframe, or at all. Unlisted securities may also provide less transparency than listed securities, as they are not subject to continuous disclosure obligations of a public exchange. As a result of the illiquidity risk, private investments typically carry an illiquidity premium in terms of expected returns compared to public investments (which is the alpha the Fund is intending to capture) and may also provide some form of diversification benefits to public markets.

Valuation and reporting lag for the Fund investment

Unlisted equity investments are required to be measured using independent valuations in accordance with AASB13 *Fair Value Measurement*. This reliance on valuation models, as opposed to observable prices on a reputable stock exchange, introduces uncertainty in reported net tangible assets and increases the potential for material differences between carrying values and the amounts ultimately realised upon exit from the Fund. The unlisted investments are not revalued frequently, which may result in reported net tangible asset of FSI to lag the actual economic performance. While this can create a perception of underperformance relative to peers, it also delays the crystallisation of performance fees to FSI's manager, reducing fee outflows in the short term.

To overcome the limited observable pricing on the unlisted investments, the management of FSI ('Management') have indicated that the Fund will only revalue on an objective pricing event (e.g. third-party capital raise, secondary trade, or an IPO/strategic exit event) to ensure valuations reflect observable market inputs where available.

The Fund's previous investments

The Fund has already raised capital to make an investment into a private entity via non-related entities and third-party investors, supporting the view that the Proposed Transaction is on an arm's length basis and not solely structured for related parties.

The Proposed Transaction is expected to impact dividend distributions

FSI has a track record of paying regular dividends to shareholders, supported by income from its listed equity portfolio. However, pre-IPO investments typically do not generate yield during the holding period, as these companies often reinvest earnings for growth rather than paying dividends. This means that until an exit event occurs (such as an IPO or trade sale), these investments will not contribute to distributable profits. FSI may experience reduced cash flow available for dividends, potentially impacting its ability to maintain historical payout levels. While this does not eliminate the possibility of dividends, it introduces timing risk and could lead to greater variability in distributions compared to the Company's traditional listed equity strategy.

2.3.5 Position of the Shareholders if the Proposed Transaction is not approved

In the event the Non-Associated Shareholders do not approve the Proposed Transaction, then the Manager would only be permitted to proceed with the Capital Commitment in the Fund to the extent that the aggregate committed capital, inclusive of any subsequent increase in the commitment, is not a 'substantial asset', meaning the commitment would currently be limited to \$2,997,719 at the date of this Report. The Manager has not determined whether it would proceed with an investment in the Fund in these circumstances.

FSI has incurred costs to date in relation to the transaction including documentation and preparing the associated Notice of Meeting. The Company will not be able to recover these costs irrespective of whether the Proposed Transaction is approved.

2.3.6 Assessment of the reasonableness of the Proposed Transaction

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information, the Proposed Transaction is **Reasonable** to the Non-Associated Shareholders as at the date of this Report.

2.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information, Proposed Transaction is **Fair and Reasonable** as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Proposed Transaction, Shareholders must:

- ▶ Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 3;
- ▶ Consult their own professional advisers; and
- ▶ Consider their specific circumstances.

3.0 Important information

3.1 Read this Report, and other documentation, in full

This Report, including Part I, Part II and the appendices, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, and assumptions underpinning our work and our findings.

Other information provided to the Non-Associated Shareholders in conjunction with this Report should also be read in full, including the Notice of Meeting prepared by FSI and dated on or about 3 October 2025.

3.2 Non-Associated Shareholders' individual circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to the Non-Associated Shareholders as a whole. BDOCF has not considered the impact of Proposed Transaction on the particular circumstances of individual Non-Associated Shareholders. Individual Non-Associated Shareholders may place a different emphasis on certain elements of Proposed Transaction relative to the emphasis placed in this Report. Accordingly, individual Non-Associated Shareholders may reach different conclusions as to whether or not Proposed Transaction is fair and reasonable in their individual circumstances.

The decision of an individual Non-Associated Shareholder to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances and accordingly, the Non-Associated Shareholders are advised to consider their own circumstances and seek their own independent advice.

Voting in favour of or against the Proposed Transaction is a matter for individual Non-Associated Shareholders based on their expectations as to the expected value, future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Non-Associated Shareholders should carefully consider the Notice of Meeting. Non-Associated Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their professional adviser.

With respect to the taxation implications of the Proposed Transaction, it is strongly recommended that the Non-Associated Shareholders obtain their own taxation advice, tailored to their own particular circumstances.

3.3 Scope

In this Report we provide our opinion on whether the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders.

This Report has been prepared at the request of the Non-Associated Directors for the sole benefit of the Non-Associated Shareholders entitled to vote, to assist them in their decision to vote in favour of or against the Proposed Transaction. This Report is to accompany the Notice of Meeting to be sent to the Non-Associated Shareholders to consider the Proposed Transaction and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Non-Associated Directors and the Non-Associated Shareholders without our written consent. We accept no responsibility to any person other than the Non-Associated Directors and the Non-Associated Shareholders in relation to this Report.

This Report should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Notice of Meeting. Apart from this Report, we are not responsible for the contents of the Notice of Meeting or any other document associated with the Proposed Transaction. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to the Non-Associated Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered a range of matters, including the necessary legal requirements and guidance of the *Corporations Act*, the *Corporation Regulations 2001* ('the Regulations'), the regulatory guides ('RGs') published by ASIC, the listing requirements of the relevant exchanges (where relevant) and commercial practice.

In forming our opinion, we have made certain assumptions and outline these in this Report including:

- ▶ We have performed our analysis on the basis that the conditions precedent to the Proposed Transaction are satisfied;
- ▶ That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- ▶ All information which is material to the Non-Associated Shareholders' decision on Proposed Transaction has been provided and is complete, accurate and fairly presented in all material respects;
- ▶ ASX announcements and other publicly available information relied on by us are accurate, complete and not misleading;

- ▶ If the Proposed Transaction is approved, that it will be implemented in accordance with the stated terms outlined in the Subscription Agreement.
- ▶ The legal mechanism to implement the Proposed Transaction is correct and effective;
- ▶ There are no undue changes to the terms and conditions of the Proposed Transaction or complex issues unknown to us; and
- ▶ A range of other assumptions as outlined in this Report have also been adopted in forming our opinion.

In this Report we have not provided any taxation, legal or other advice of a similar nature in relation to the Proposed Transaction. FSI has engaged other advisors in relation to those matters.

FSI has acknowledged that the Company's engagement of BDOCF is as an independent contractor and not in any other capacity, including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of the information provided by the Board, executives and Management of all the entities.

3.4 Purpose of this Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the *Corporations Act*, the Regulations, RGs and in some cases the listing requirements of the relevant exchanges. These requirements have been set out in Sections 3.4.1 below.

3.4.1 Listing requirements

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, a substantial holder or a related party without the approval of non-associated shareholders.

ASX Listing Rule 10.2 defines an asset as substantial if its value or the consideration for it is, or in ASX's opinion is, 5.0% or more of the value of the equity interests of the entity, as set out in the latest accounts given to the ASX in accordance with the ASX listing rules ('Substantial Asset'). Based on ASX Listing Rule 10.1.3, a substantial holder is a person who has relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10.0% of the voting power of the company ('Substantial Holder').

According to ASX Listing Rule 19, the definition of 'acquire' includes increasing an economic interest.

Under ASX Listing Rule 10.5, where shareholder approval is sought for the purpose of complying with ASX Listing Rule 10.1, the notice of meeting distributed to shareholders in relation to the transaction must include a report prepared by an independent expert, which states the expert's opinion as to whether the transaction is fair and reasonable to the non-associated shareholders.

Shareholder approval under Listing Rule 10.1 is required before the Company enters into the Capital Commitment because:

- ▶ ECPRE, which is the trustee of and issuer of units in the Fund, is a related party of the Company because it is controlled by Dr Pohl; and
- ▶ Dr Pohl is a director of the Company (Listing Rules 10.1.1 and 10.1.4); and
- ▶ Dr Pohl controls ECPAC, which has a relevant interest in 40.1% of the issued share capital of the Company (Listing Rules 10.1.3 and 10.1.4); and
- ▶ The Capital Commitment is considered a 'substantial asset' because, if the Capital Commitment is deployed in full, it would exceed 5.0% of the equity interests of the Company as set out in its latest accounts given to ASX under the Listing Rules.

FSI are seeking shareholder approval under ASX Listing Rule 10.1 and this Report has been prepared to comply with the requirements of ASX Listing Rules 10.1, 10.2 and 10.5, having regard to the Proposed Transaction.

3.5 Current market conditions

Our opinion and the analysis set out in this Report is based on economic, commodity, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, prior to the Notice of Meeting, results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to FSI. BDOCF is not responsible for updating this Report following the Notice of Meeting or in the event that a change in prevailing circumstance does not meet the above conditions.

3.6 Reliance on information

FSI recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF, BDO Services Pty Ltd or any of the partners, directors, agents or associates (together 'BDO Persons'), will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by FSI, Management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis and inquiry for the purpose of forming an opinion as to whether or not the Proposed Transaction is fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of Management, the information was evaluated through analysis and inquiry to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the accuracy of the information we have relied on. However, in many cases the information we have relied on is often not capable of external verification or validation and on that basis we provide no opinion or assurance on the information.

The Non-Associated Directors represent and warrant to us for the purpose of this Report, that all information and documents furnished by FSI (either by Management directly or through its advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the Non-Associated Directors in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, FSI has agreed to indemnify BDO Persons against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

3.7 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out in Appendix A.

All dollar ('\$') references in this Report are in Australian dollars unless otherwise stated.

3.8 Sources of information

This Report has been prepared using information obtained from sources including the following:

- ▶ FSI annual report for the year ended 30 June 2023, 2024 and 2025;
- ▶ FSI ASX announcements;
- ▶ The Notice of Meeting;
- ▶ Management Services Agreement;
- ▶ FSI Convertible Notes Prospectus;
- ▶ LIC Subscription Agreement;
- ▶ ECP Private Growth Fund Information Memorandum;
- ▶ ECP Private Growth Fund Constitution;
- ▶ Capital IQ;
- ▶ IBISWorld;
- ▶ Other research publications and publicly available data as sourced throughout this Report;
- ▶ Various transaction documents provided by Management and their advisors;
- ▶ Discussions and other correspondence with FSI, Management and their advisers.

3.9 APES 225 Valuation Services

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 *Valuation Services* ('APES 225'). A Valuation Engagement is defined by APES 225 as 'an

Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

3.10 Forecast information

Any forecast financial information referred to in this Report has originated from Management and is adopted by the Non-Associated Directors in order to provide us with a guide to the potential financial performance of FSI. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast financial information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation between actual results and those forecast may be material.

The Non-Associated Directors' best-estimate assumptions on which the forecast is based relate to future event(s) and/or transaction(s) that Management expect to occur and actions that Management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of FSI. Evidence may be available to support the Non-Associated Directors' best-estimate assumptions on which the forecast is based however, such evidence is generally future-oriented and therefore speculative in nature. In certain circumstances, we may adjust the forecast assumptions provided by Management to complete our valuation work. In this instance, the forecasts we have adopted for our valuation work will not be the same as the forecasts provided by Management.

BDOCF cannot and does not provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. While we have considered the forecast information to the extent we considered necessary to complete the analysis set out in this Report, we have not been engaged to provide any form of assurance conclusion on any forecast information set out in this Report. We disclaim any assumption of responsibility for any reliance on this Report, or on any forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of Management, that all material information concerning the prospects and proposed operations of FSI has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

3.11 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the *Corporations Act*.

BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Scott Birkett have prepared this Report with the assistance of staff members. Mr Whittaker, BCom (Hons), FCA, CFA, and Mr Birkett, BBusMan/BCom, CFA are directors of BDOCF. Both Mr Whittaker and Mr Birkett and have extensive experience in corporate advice and the provision of valuation and professional services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations. Mr Whittaker and Mr Birkett are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance Ltd



Mark Whittaker
Director



Scott Birkett
Director

PART II: INFORMATION SUPPORTING OUR OPINION ON THE PROPOSED TRANSACTION

4.0 Overview of the Proposed Transaction

This section sets out an overview of the Proposed Transaction and is structured as follows:

- ▶ Section 4.1 provides a summary of the Proposed Transaction;
- ▶ Section 4.2 details the strategic rationale for the Proposed Transaction;
- ▶ Section 4.3 describes the key parties involved in the Proposed Transaction.

This section is a summary only and should not be treated as a complete description of the Proposed Transaction. The Non-Associated Shareholders should refer to the Notice of Meeting and any subsequent disclosures for additional information relating to the Proposed Transaction and the key parties involved.

4.1 Summary of the Proposed Transaction

4.1.1 Overview of the Fund and the Information Memorandum

The Fund is an unregistered managed investment scheme. The Fund is not required to be, and is not, a registered investment scheme with ASIC because investment in the Fund is only available to wholesale clients (as defined in section 761G of the *Corporations Act*).

The Fund is structured as follows:

- ▶ Trustee: ECPRE;
- ▶ Investment manager: ECP Asset Management Pty Ltd ('ECPAM'); and
- ▶ Administrator: ECPAC (we note ECPAC also performs a separate role as investment manager for FSI).

The Fund's investment strategy is to acquire a minority stake in private companies across any industry that demonstrate a credible intention to pursue an initial public offering within a timeframe of 12 to 36 months. The investments will target companies whose operations cover a wide spectrum of business activities and the relevant underlying investment opportunity is chosen from the perspective of a business owner.

The trustee may only issue units to persons who qualify as wholesale clients, as defined in section 761G of the *Corporations Act*, or anyone else whom the trustee is willing to issue units provided they are otherwise permitted by law to participate in the investment opportunity.

The management fee structure is as follows:

- ▶ Management fee: nil; and
- ▶ Performance fee: 20.0% of the Fund's realised return in a class of units in excess of the return of capital to investors in that class.

Following an exit event, a performance fee is payable in respect of a class of units after an investor's units in the relevant class are redeemed. The performance fee will be paid by way of distribution entitlement from the sponsor units held by the investment manager. Accordingly, the distributions will be paid in the following proportions and order of priority:

- ▶ First, 100% to the unitholder (that is not a sponsor unitholder) in a class in proportion to their unit holdings in that class until the unitholder in that class has received cumulative distributions equal to the amount paid for their units in that class; and
- ▶ Second:
 - 80% to the unitholder (that is not a sponsor unitholder) in a class in proportion to their unit holdings in that class; and
 - 20% to the sponsor unitholder. The investment manager is the sponsor unitholder. Only the investment manager, or its nominee, may hold sponsor units.

These sponsor units do not constitute as an additional fee or cost payable by the trustee, rather, they are a mechanism to account for the investment manager's interests until the realisation of returns. The trustee has discretion to issue any number of sponsor units to the investment manager. Sponsor units carry no voting or management rights and confer no economic interest other than an entitlement to distributions. Each sponsor unit is issued at an application price of \$0.01.

An exit event for an investment of the Fund is expected to be achieved when there is a substantial transaction relating to the assets referable to a class of units, or the listing of those assets on the ASX or other exchanges. Following an exit event, the Fund will pay a distribution to an investor after an investor's units in the relevant class

are redeemed. Investments in a class of units are not expected to be liquid, and withdrawals will not be permitted prior to an exit event occurring. It is not guaranteed that an exit event will occur. An exit event for a class of units may never occur.

4.1.2 Overview of the Proposed Transaction

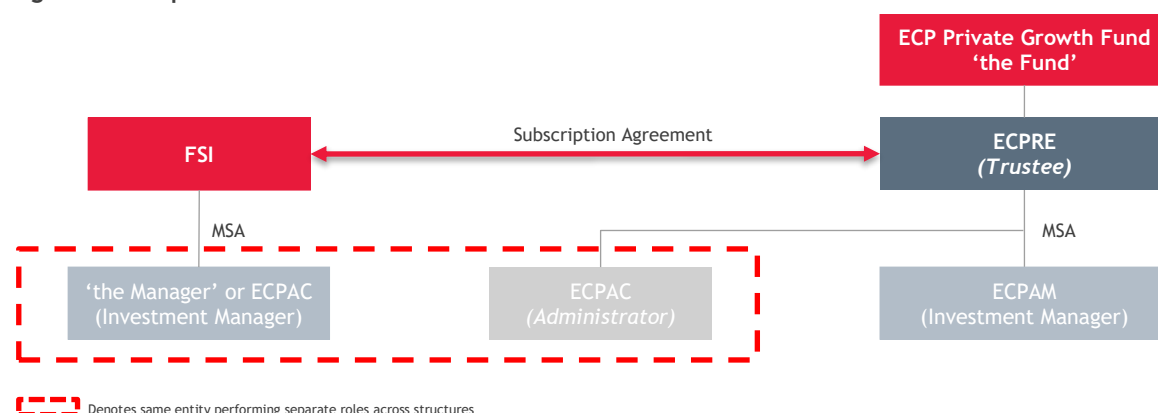
The Company proposes to enter into a Subscription Agreement with ECPRE, under which it will make a Capital Commitment of up to \$11.9 million to the Fund. The Subscription Agreement between FSI and ECPRE sets out the terms under which FSI will make a Capital Commitment in the Fund. If fully drawn, the Capital Commitment would represent approximately 14.2% of the Company's investment portfolio as at 30 June 2025. An illustration of the Proposed Transaction structure and parties involved is demonstrated in Figure 4.1 below.

If the Proposed Transaction is approved, we note the following in relation to the drawdowns of the Capital Commitment:

ECPRE (as trustee) will make capital calls on the Capital Commitment as it prepares to make an investment into a new investee company. ECPRE will provide the Company with details of the investment opportunity by sending a supplementary information memorandum to the Manager setting out the details of the opportunity;

- ▶ When ECPRE provides information about a new investment class by way of supplementary information memorandum to the Manager, FSI, at its discretion can choose to invest in the new class. With Board approval, FSI may nominate the capital call value from the total capital call commitment. The Company must then pay the amount of a capital call within 10 business days of the capital call notice issued by ECPRE;
- ▶ The investment in any one investment opportunity of the Fund is capped at 5.0% of the equity interests of the Company at the time of investment. The aggregate amount the Company may invest will be limited to \$11.9 million;
- ▶ The Company cannot own more than 40.0% of the units offered in each class of the Fund; and
- ▶ Generally, the application price for a unit in a new class will be \$1.00. The Trustee applies a unit price that is calculated by dividing the value of net assets transferrable to a particular class by the number of units in that class on issue.

Figure 4.1 Proposed Transaction Structures



Source: BDOCF analysis, FSI Notice of Meeting

4.1.3 Amendments required to the MSA

Under the current MSA, the amount invested in unlisted securities shall not exceed 10.0% in value of the portfolio at the time of investment.

The MSA is intended to provide parameters around portfolio diversification and risk concentration, ensuring that no single investment materially dominates the Company's asset base. Exceeding this limit could therefore raise governance considerations, including whether a variation or waiver of the MSA is required and the extent to which the Board has considered the associated risks of increased portfolio concentration.

The limit proposed under the Proposed Transaction of 14.2% exposure would exceed the 10.0% threshold prescribed under the MSA. The Company intends to issue an amendment to the MSA to increase this limit from 10.0% to 15.0% once the Proposed Transaction has been approved.

A more detailed summary of the MSA is set out in Section 5.2 below.

4.1.4 Reimbursement of the Fund costs

The Fund's constitution allows ECPRE, as trustee of the Fund, to recover all reasonably incurred expenses in relation to the proper performance of its duties in respect of the Fund. If applicable, when expenses are paid by the Fund, they will be deducted from the Fund's assets. The trustee has the discretion to allocate costs or expenses to a

particular class of units, which will be paid from the assets referable to that class of units. Expenses are generally paid when incurred.

ECPAM, as the investment manager, is entitled to be paid or reimbursed for operation costs and expenses associated with the operation of the Fund, such as the costs associated with the establishment, brokerage, registry maintenance, distribution of income, fees to other services providers and other expenses properly incurred in connection with performing their duties and obligations in the day-to-day operation of the fund.

In BDO's discussions with Management, it is our understanding that the operational expenses associated with the Fund will be covered by ECPAC (the Fund's administrator), the operating expenses incurred by the Fund are immaterial and may not be reimbursed by the Fund. As the Fund will fully deploy the capital from investors, operating expenses cannot be covered without the sale of shares in the unlisted investments.

4.1.5 Other investors in the Fund

The Fund has already raised capital from non-related wholesale investors and deployed it into an investment prior to the Proposed Transaction on the terms set out in the Information Memorandum. The terms of the Subscription Agreement entered into between the Company and ECPRE will be on the same or materially similar terms as between ECPRE and other investors in the Fund. The exception to this is the following terms specifically relating to FSI and any other LICs:

- ▶ For each proposed investment opportunity, the Fund will issue a supplementary information memorandum. The LIC retains absolute discretion to elect whether to participate in that opportunity;
- ▶ The Company may nominate the value of the Capital Commitment;
- ▶ The Company may only invest in a class of units by complying with the following restrictions;
 - The aggregate amount the Company may invest in the Fund will be limited to the Capital Commitment; and
 - Investment in any one investment opportunity of the Fund is capped at 5.0% of the equity interests of the Company at the time of investment; and
 - The Company cannot own more than 40.0% of the units offered in each class of the Fund.
- ▶ The default consequences ordinarily applicable under the Fund's information memorandum for failure to meet a capital call do not apply to FSI under the Subscription Agreement.

4.2 Strategic rationale of the Non-Associated Directors for the Proposed Transaction

The Company is currently able to invest up to 10.0% of the Fund in unlisted investments. However, in recent pre-IPO transactions, the Company has been unable to secure an allocation as the majority of shares were committed to cornerstone or early-stage investors. The Non-Associated Directors consider that this experience reflects a broader market trend where attractive IPO candidates often allocate most of their equity to cornerstone or early investors, leaving limited capacity for new participants and that the Australian IPO market has become increasingly selective, with fewer quality listings and heightened competition for allocations.

The Proposed Transaction provides the Company with an opportunity to access private companies that the Manager believes to be high-quality at a pre-IPO stage. By committing capital to the Fund, the Company positions itself to participate in these opportunities through a structured vehicle that aggregates investor commitments. The Fund's model enables it to negotiate with investee companies as a single, substantial investor, which is often a prerequisite for securing allocations in competitive pre-IPO rounds. Many private companies prefer to engage with a small number of well-capitalised investors who can provide not only funding but also strategic support in the lead-up to an IPO. This structure mitigates the administrative and governance burden that would otherwise arise from dealing with multiple smaller shareholders.

The Non-Associated Directors consider that investing through a dedicated pre-IPO fund represents the most effective mechanism for securing exposure to quality private companies at the pre-IPO stage. Unlike direct participation in individual transactions, the Fund structure enables the aggregation of capital from multiple investors to form a large, more credible negotiating position with target companies. This aggregation improves the likelihood of accessing oversubscribed pre-IPO placements, where allocations are typically limited to a small number of substantial participants.

In assessing alternative avenues, the Non-Associated Directors considers other pre-IPO funds as less suitable due to differences in strategy and fee structures. The Non-Associated Directors have advised that the Proposed Transaction ensures that the capital is managed by a trusted investment manager, ECPAM (a related party), providing consistency of investment philosophy, governance oversight, and alignment of interests. This reduces the execution risk with appointing a new external manager and ensures that the Company's participation in pre-IPO opportunities is integrated within the broader portfolio management framework.

The Non-Associated Directors of the Company are of the view that the proposed amendment to the MSA to increase the percentage of unlisted investments from 10.0% to 15.0% does not deviate materially from the intended authorised investments stipulated in the MSA and is designed to provide the Company with greater flexibility to pursue the subscription into the Fund without breaching the diversification constraints currently embedded in the MSA. If shareholder approval for the Proposed Transaction is obtained, the revised threshold would allow the Company to

allocate a larger proportion of its portfolio to unlisted investments, thereby accommodating the proposed 14.2% commitment while still maintaining an overall cap intended to safeguard against excessive concentration risk.

4.3 Description of the key parties involved in the Proposed Transaction

This section is a summary based on key parties involved in the Proposed Transaction. Non-Associated Shareholders should refer to the Notice of Meeting for further information.

4.3.1 Flagship Investments Limited ('FSI' or 'the Company')

FSI is an ASX listed LIC that provides shareholders with exposure to a diversified portfolio of Australian equities. The Company's investment objective is to deliver medium to long-term capital growth and fully franked dividends by investing in high-quality businesses with sustainable competitive advantages. FSI operates under a management services agreement ('MSA') with ECPAC, which is responsible for portfolio management. As at 30 June 2025, FSI managed assets of approximately \$83.6 million and had 25.9 million ordinary shares on issue. The Company is headquartered in Bundall, Queensland, and its Managing Director is Dr Pohl, with Mr Dominic McGann serving as Non-Executive Chairman. FSI is the entity proposing to enter into the Subscription Agreement with the Fund, which is managed by entities associated with its Managing Director, Dr Pohl.

Refer to Section 5 of this Report for a more detailed summary of the Company.

4.3.2 ECP Private Growth Fund ('the Fund')

The Fund is an unregistered managed investment scheme available exclusively to wholesale investors as defined under the *Corporations Act*. The Fund's investment strategy is to acquire minority stakes in private companies across various industries that demonstrate a credible intention to pursue an initial public offering within 12 to 36 months. The Fund aims to provide investors with early-stage access to high-quality businesses that are expected to transition to public markets, thereby offering potential for enhanced returns. Investments are illiquid, and withdrawals are not permitted until an exit event occurs. The Fund charges no management fee but applies a performance fee of 20.0% on realised returns above the return of capital. The trustee of the Fund is ECPRE, and the investment manager is ECPAM. Dr Pohl is the Managing Director of FSI and controls ECPRE. Dr Pohl is also a director of ECPAM, though does not hold a controlling ownership interest.

Refer to Section 4.1.1 above for more detailed information on the Fund.

4.3.3 EC Pohl & Co Pty Ltd ('ECPAC')

ECPAC is a Queensland-based funds management firm specialising in constructing high-conviction, actively managed portfolios of Australian equities. The firm employs a long-term investment philosophy, focusing on sustainable, quality growth companies listed on the ASX. ECPAC also provides portfolio management services to listed investment companies, including FSI, under management agreements.

The company was founded by Dr Pohl, who serves as Managing Director and is a key figure in the governance of related entities. ECPAC is the investment manager of FSI under the MSA and is controlled by Dr Pohl, making it a related party under ASX Listing Rule 10.1.

4.3.4 EC Pohl & Co RE Ltd ('ECPRE')

ECPRE was established in 2023 to act as the responsible entity and trustee for registered and unregistered managed investment schemes managed by ECPAC and its related entities. It holds an Australian Financial Services Licence ('AFSL') 554769 and is responsible for ensuring the proper administration of the managed investment schemes, safeguarding investor assets, and ensuring compliance with Australian regulatory requirements.

ECPRE oversees the Fund and other investment vehicles within the group. ECPRE is the responsible entity for the Fund and is controlled by Dr Pohl, who is also the Managing Director of FSI.

4.3.5 ECP Asset Management Pty Ltd ('ECPAM')

ECPAM is an Australian-based asset management company and a related entity of ECPAC. It provides institutional and retail clients with investment solutions focused on high-conviction, long-only growth strategies. The firm's investment philosophy emphasises active management, forensic research, and a concentrated portfolio approach targeting companies with durable competitive advantages and strong growth prospects. ECPAM operates from Sydney and London and is a Corporate Authorised Representative under AFSL 421704. ECPAM is the investment manager of the Fund. Dr Pohl is one of four directors of ECPAM (two of whom are independent) and does not hold a controlling ownership interest. Jared Pohl, the son of Dr Pohl, is also a director of ECPAM. This governance structure creates a related party relationship with FSI because of Dr Pohl's role as Managing Director of FSI and his association with ECPAM.

4.3.6 Dr Emmanuel Pohl AM ('Dr Pohl')

Dr Pohl is a central figure in the governance and management of the entities involved in the proposed Subscription Agreements.

Dr Pohl is the Managing Director of FSI, a role he has held since 1997, and is also the Chairman of ECPAC, the parent entity of the private growth fund to which FSI proposes to commit capital. He concurrently serves as Chairman and Chief Investment Officer of ECPAM, the investment manager responsible for managing the fund's portfolio.

In addition to these roles, Dr Pohl holds directorships in several related entities, including:

- ▶ ECPRE;
- ▶ ECP UCITS ICAV;
- ▶ Huysamer International Holdings (Pty) Ltd; and
- ▶ Astuce Group Ltd.

Dr Pohl's extensive involvement across both the LICs and the fund manager creates a related party relationship under ASX Listing Rule 10.1, and triggers the requirement for shareholder approval. His positions place him in a position of influence over both the investment decision and the terms of the Subscription Agreements, which must be assessed for fairness and reasonableness to Non-Associated Shareholders.

We note that Dr Pohl will be abstaining from the vote for the Proposed Transaction.

5.0 Background of FSI

This section is set out as follows:

- ▶ Section 5.1 provides an overview and background information on FSI;
- ▶ Section 5.2 summarises the corporate structure of FSI;
- ▶ Section 5.3 summarises key personnel of FSI;
- ▶ Section 5.4 summarises the equity structure of FSI;
- ▶ Section 5.5 summarises the share market trading in FSI shares; and
- ▶ Section 5.6 summarises the historical financial information of FSI.

5.1 Background

FSI is a LIC listed on the ASX under the ticker ASX:FSI. The Company was listed on the ASX in December 2000 and is headquartered in Bundall, Queensland. FSI's investment mandate is to provide shareholders with access to a diversified portfolio of Australian equities, with a focus on medium to long-term capital growth and income.

FSI has appointed ECPAC, which holds an AFSL, as its external investment manager pursuant to the MSA. Under the terms of the MSA, ECPAC is responsible for portfolio construction and the day-to-day management of the Company's investments, subject to oversight by the Company board. ECPAC is remunerated by way of a performance-based fee, payable only when portfolio returns exceed an agreed cash benchmark. No fixed management fee is payable, thereby aligning the interests of ECPAC with those of shareholders.

The stated objective of the Company is to preserve and enhance net tangible asset backing per share, while providing shareholders with fully franked dividends. In pursuing this objective, FSI maintains a portfolio primarily invested in ASX-listed securities, with at least 90.0% of assets allocated to equities and the balance held in cash or cash equivalents.

FSI's investment philosophy is to adopt a long-term, business-owner perspective, investing in companies with sustainable competitive advantages, sound management and favourable economics. ESG considerations are integrated into the investment process. FSI has adopted a responsible investment policy and associated stewardship practices. These policies are implemented on its behalf by the appointed investment manager, ECPAC, which is responsible for integrating ESG considerations into the investment process and exercising stewardship activities.

The investment portfolio of FSI is detailed in Table 5.1 below.

Table 5.1: FSI's Investment Portfolio as at 30 June 2025

Ticker	Company	Shares	\$AUD ('000)	% of portfolio
HUB	HUB24 Limited	90,000	8,025	9.6%
XYZ	Block, Inc.	54,000	5,543	6.6%
RMD	ResMed Inc.	140,000	5,509	6.6%
GQG	GQG Partners Inc.	2,200,000	4,972	5.9%
LOV	Lovisa Holdings Limited	136,392	4,321	5.2%
GYG	Guzman Y Gomez Limited	150,000	4,244	5.1%
XRO	Xero Limited	21,360	3,841	4.6%
JHX	James Hardie Industries PLC	88,796	3,703	4.4%
SEK	Seek Limited	150,000	3,608	4.3%
COH	Cochlear Limited	11,874	3,567	4.3%
DMP	Domino's Pizza Enterprises Limited	162,233	3,126	3.7%
CAR	CAR Group Limited	75,000	2,807	3.4%
NOL	NobleOak Life Limited	1,811,549	2,754	3.3%
JDO	Judo Capital Holdings Limited	1,654,094	2,589	3.1%
CTD	Corporate Travel Management Limited	185,000	2,562	3.1%
RIO	Rio Tinto Limited	20,000	2,143	2.6%
FCL	Fineos Corporation Holdings PLC	873,204	2,035	2.4%
TPW	Temple & Webster Group Ltd	90,000	1,919	2.3%
WTC	Wisetech Global Limited	17,000	1,854	2.2%
MQG	Macquarie Group Limited	7,000	1,601	1.9%
ARB	ARB Corporation Limited	44,000	1,439	1.7%

Ticker	Company	Shares	\$AUD ('000)	% of portfolio
C79	Chrysos Corporation Limited	300,000	1,410	1.7%
NAN	Nanosonics Limited	319,442	1,294	1.5%
REA	REA Group Ltd	5,200	1,251	1.5%
PWH	Pwr Holdings Limited	150,000	1,040	1.2%
IEL	Idp Education Limited	282,116	1,035	1.2%
MP1	Megaport Limited	60,000	866	1.0%
NWL	Netwealth Group Limited	25,000	840	1.0%
NXL	Nuix Limited	200,000	438	0.5%
Cash				
Cash (including dividends receivable)			3,232	3.9%
Portfolio Value			83,564	100.0%

Source: FSI FY25 Annual Report

On 3 September 2025 the Company announced to the ASX its top 5 holdings as at 31 August 2025. We have summarised these holdings in Table 5.2 below along with a comparison to the movement in portfolio since 30 June 2025.

Table 5.2: FSI's top 5 holdings as at 31 August 2025

Ticker	Company	% of portfolio	Difference
HUB	HUB24 Limited	8.8%	-0.8%
RMD	ResMed Inc.	6.8%	0.2%
LOV	Lovisa Holdings Limited	6.8%	1.6%
XYZ	Block, Inc.	5.4%	-1.2%
XRO	Xero Limited	5.1%	0.5%

Source: FSI Monthly NTA - August 2025

5.2 Management Services Agreement

The MSA between FSI and ECPAC sets out the services that will be provided to the Company, which includes but is not limited to the following primary services:

- ▶ Managing the investment of the Company's investment portfolio, including keeping it under review;
- ▶ Ensuring investments by the Company are only made in authorised investments as part of the investment mandate;
- ▶ Complying with the investment policy of the Company;
- ▶ Identifying, evaluating and implementing the acquisition and disposal of authorised investments;
- ▶ Providing the Company with monthly investment performance reporting;
- ▶ Managing the Company's public and regulatory announcements and notices;
- ▶ Promoting investment in the Company by the general investment community; and
- ▶ Providing investor relationship services.

ECPAC may also provide, or cause to provide other management services to the Company, to the best of its ability and to a high standard, including the following services:

- ▶ Accounting support;
- ▶ Internal audit support;
- ▶ Office services;
- ▶ Human resources support;
- ▶ Corporate support;
- ▶ Company secretarial;
- ▶ Asset custody services; and
- ▶ Information technology services support.

An authorised investment ('Authorised Investment') is defined as:

- ▶ Listed securities, being any security of whatsoever nature which is quoted on the ASX and without limiting the generality of this includes shares, units or notes which are redeemable, preference or deferred, fully or partly paid, with or without a par value and any right, title or interest thereto or therein (including a right to subscribe for or convert to any such security whether listed on the ASX or not), and any security of whatsoever nature which is expected to be quoted on the ASX within a six month period from the date of investment;
- ▶ Unlisted securities, being any security not quoted on any stock exchange or on a listing market (within the meaning of the *Corporations Act* provided that the amount invested in unlisted securities shall not exceed 10.0% in value of the portfolio at the time of investment;
- ▶ The taking and/or giving of options to purchase any investment and the taking and/or giving of options to sell any investment which is an authorised investment;
- ▶ The discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;
- ▶ Deposits with any bank or corporation declared to be an authorised dealer in the short-term money market;
- ▶ Debentures, unsecured notes, loan stock, bonds, promissory notes, certificates of deposit, interest bearing accounts, certificates of indebtedness and any other evidence of indebtedness issued by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or any governmental organisation, body or instrumentality of Australia, or if authorised by the Company, a corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia.

FSI pays ECPAC a performance fee at the end of each financial year as follows:

Primary Services

$$P = 15.0\% \times (A - B)$$

Where:

- ▶ P is the performance fee for the financial year;
- ▶ A is the investment return for the portfolio year; and
- ▶ B is the benchmark return for the portfolio year. The benchmark for FSI is the interest rate payable on bank bills as represented by the percentage movement on the Bloomberg AusBond Bank Bill Index for the twelve-month period to June of each year multiplied by the opening portfolio value at the start of the financial year. As at 30 June 2025, the benchmark return was 4.0%, with a 10-year annualised return of 2.0%.

Secondary Services

A secondary services fee equal to 8 basis points per annum of the portfolio value, calculated and payable monthly in arrears based on the month-end portfolio value.

5.3 Key Personnel

The directors of FSI are detailed in Table 5.3 below.

Table 5.3: FSI's Key Personnel

Key Personnel	Background
Dr Emmanuel Pohl AM <i>Managing Director</i>	▶ Managing Director since the inception of the Company in 1997; ▶ Managing Director of Anthelney Trust PLC; ▶ Chairman of ECPAC; ▶ Director of Huysamer International Holdings (Pty) Ltd; ▶ Professional engineer, Bachelor of Science (engineering), Master of Business Administration, Doctor of Business Administration, Fellow of the Australian Institute of Company Directors, Member of the Stockbrokers and Financial Advisers Association, Fellow of the Financial Services Institute of Australasia; and ▶ Member of Order of Australia
Dominic M McGann <i>Non-Executive Chairman</i>	▶ Appointed Non-Executive Director on 8 October 2009 and Non-Executive Chairman on 7 November 2016; ▶ Partner at McCullough Robertson Lawyers and a Solicitor with the Supreme Court of Queensland; ▶ Member of Audit and Risk Committee; and ▶ Bachelor of Laws and Master of Laws.

Key Personnel	Background
Angela Obree Non-Executive Director	- Appointed Director on 29 September 2021; - Previous experience in management consulting in the United Kingdom, South Africa, Ireland, and Germany; - Accredited commercial mediator, negotiation expert and corporate crisis leader; - Director of Global Masters Fund Limited; and - Director of Congura Limited.
Scott Barrett Company Secretary	- Serves as the Secretary, Alternate Director, and Chief Financial Officer of the Company; - Appointed Alternate Director since November 2017 for Dominic McGann and November 2022 for Angela Obree. - Alternate Director for ECP Emerging Growth Limited; and - Bachelor of Commerce and Chartered Accountant.

Source: FSI website and FY25 Annual Report

5.4 Equity structure of FSI

5.4.1 Ordinary shares

As at 31 August 2025, FSI had 25.9 million ordinary shares on issue. The top 10 shareholders are set out in Table 5.4. Table 5.4 does not consider the impact of any changes in shareholding as a result of the Proposed Transaction.

Table 5.4: Top 10 shareholders

	Shareholders	Number of Shares	Percentage Holding
1	Citicorp Nominees Pty Limited	8,998,636	34.80%
2	Global Masters Fund Limited	1,010,000	3.91%
3	Mr Gregory John Burton &	830,467	3.21%
4	Mrs Sylvia Maria Valmadre	717,062	2.77%
5	Noonbah Pty Ltd	530,000	2.05%
6	Mr Dominic Martin McGann	447,562	1.73%
7	Cidel Bank & Trust Inc	436,083	1.69%
8	Dr Susanna Elizabeth Swanepoel	416,667	1.61%
9	Quantum Electronics Pty Ltd	387,882	1.50%
10	Burton Holdings (QLD) Pty Ltd	374,526	1.45%
	Other shareholders	11,708,378	45.28%
	Total shares on issue	25,857,263	100.00%

Source: FSI FY25 Annual Report

Having regard to the information set out in Table 5.4 above, we note:

- As at 31 August 2025, FSI has 25.9 million fully paid ordinary shares outstanding, of which the top ten shareholders hold 54.7%;
- Citicorp Nominees Pty Limited is the largest shareholder with 34.8% ownership as custodian, holding shares and assets on behalf of others as a nominee;
- Global Masters Fund Limited holds 3.9% interest in the Company and is a related party under an MSA with ECPAC; and
- As at 30 June 2025, Dr Pohl and Mr Gregory Burton are substantial shareholders with a holding of 40.1% and 5.0% respectively. We note that the 40.1% interest held by Dr Pohl includes his power of attorney to vote and dispose of 5.7% of the total securities on issue.

In addition to the above analysis, we have set out in Table 5.5 below a summary of the share distribution.

Table 5.5: Share distribution

Range of shares held	No. of Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
0 - 10,000	391	1,401,428	5.42%
10,001 - 100,000	195	5,348,853	20.69%
100,001 - 1,000,000	34	9,098,346	35.19%
1,000,001 +	2	10,008,636	38.71%
Total	622	25,857,263	100.0%

Source: FSI Management, BDOCF analysis

5.4.2 Convertible notes on issue

The Company issued 7.4 million convertible notes on 1 October 2021 at \$2.70 per note, raising a total \$20.0 million. The convertible notes are listed on the ASX under the ticker 'FSIGA'. From the issue date, the convertible notes will pay a fixed interest rate of 5.5% per annum which was subject to a step-up period if the 2-year bank bill swap rate at 30 September 2024 is above 1.3%. The convertible notes carry a fixed interest entitlement of 6.5% per annum paid quarterly since exceeding the 2-year bank bill hurdle on 30 September 2024. At any time after the second anniversary of the issue date and before 10 days before maturity, the notes can be converted by the holder to ordinary shares on a one for one basis - alternatively the note capital will be repaid on the maturity date of 1 October 2026.

The following members of Management hold an interest in FSI convertible notes as at 30 June 2025:

- ▶ Dominic McGann owns 18,518 convertible notes;
- ▶ Dr Pohl owns 1,863,946 convertible notes;
- ▶ Angela Obree owns 9,691 convertible notes; and
- ▶ Scott Barrett owns 37,036 convertible notes.

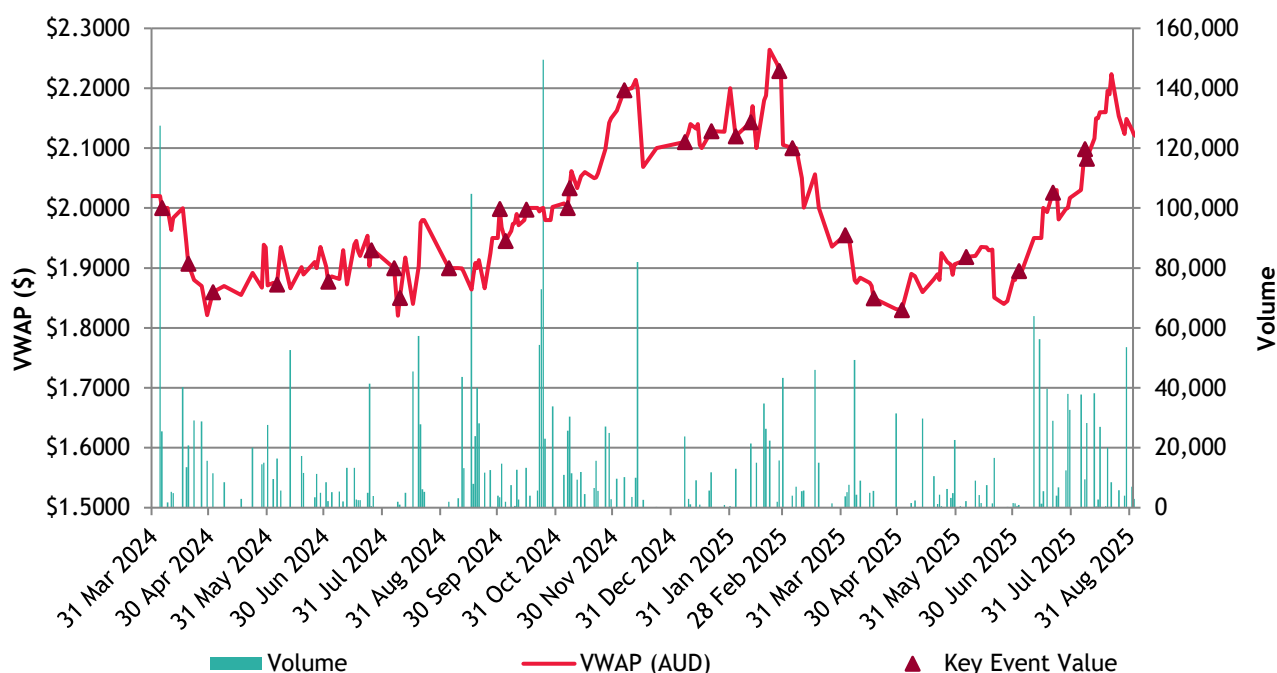
We note that within the convertible notes prospectus, the Company cannot hold an investment in unlisted securities exceeding 15.0% of the portfolio value.

5.5 Share trading data of FSI

5.5.1 Share trading data

Figure 5.1 displays the daily volume weighted average price ('VWAP') and daily volume of FSI shares traded on the ASX over an 18-month period ending 3 September 2025.

Figure 5.1: Daily VWAP and volume of FSI shares traded from 4 March 2024 to 3 September 2025



Source: Capital IQ as at 3 September 2025, BDOCF analysis

Over the period graphed in Figure 5.1 above, FSI's daily VWAP displays a period low of \$1.8204 on 8 August 2024 and a period high of \$2.2641 on 21 February 2025.

In addition to the share price and volume data of FSI shown above, we have also provided additional information in Table 5.6 below to assist readers to understand the possible reasons for the movement in FSI's share price over the period analysed. The selected ASX announcement references in Table 5.6 below correspond to those displayed in Figure 5.1 above.

Table 5.6: Selected FSI ASX announcements from 4 March 2024 to 3 September 2025

Date	Announcement
05/03/2024	FSI reported an increase in net tangible asset ('NTA') backing per share from 239.8c to 258.0c between January and February 2024. NTA represent the total value of a company's assets (like cash, investments, and property) minus its liabilities, divided by the number of shares on issue. It excludes intangible assets like goodwill or intellectual property.
05/04/2024	FSI reported an increase in NTA backing per share from 258.0c to 264.9c between February and March 2024.
19/04/2024	FSI released its Shareholders' Quarterly Report for March 2024. Key highlights include the fund's sale of its Altium holdings following a takeover bid at a 33.6% premium, and a strong quarterly return of 12.9%, significantly outperforming the broader market.
05/05/2024	FSI reported a decrease in NTA backing per share from 264.9c to 249.3c between March and April 2024.
05/06/2024	FSI reported an increase in NTA backing per share from 249.3c to 252.5c between April and May 2025.
02/07/2024	FSI reported a decrease in NTA backing per share from 252.5c to 251.7c between May and June 2024.
25/07/2024	FSI released its Shareholders' Quarterly Report for June 2024. Key highlights include the addition of Chrysos Corporation and Guzman y Gomez to the portfolio, reflecting strategic moves into advanced mining technology and fast-growing markets. The fund posted a quarterly return of negative 1.7%, underperforming the broader market amid.
06/08/2024	FSI reported an increase in NTA backing per share from 251.7c to 260.7c between June and July 2024.
09/08/2024	FSI released its Annual Report for the year ended 30 June 2024. Key highlights include a 21.0% increase in NTA over the year, and a portfolio return of 29.0%, significantly outperforming the ASX All Ordinaries Index. The company paid total dividends (interim and final) of 9.5 cents per share, representing 4.6% of the opening NTA value, reinforcing its commitment to delivering income alongside capital growth.
04/09/2024	FSI reported an increased in NTA backing per share from 260.7c to 261.8c between July and August 2024.
01/10/2024	FSI announced a step-up in the interest rate on its convertible notes (ASX: FSIGA) from 5.5% to 6.5% per annum, triggered by the 2-year Bank Bill Swap Rate exceeding the set hurdle. The new rate will apply until the notes mature on 1 October 2026.
04/10/2024	FSI reported an increase in NTA backing per share from 261.8c to 273.4c between August and September 2024.
15/10/2024	FSI released its Shareholders' Quarterly Report for September 2024. Key highlights include the continued purchase of equities in Chrysos Corporation, and a strong quarterly return of 10.6%, outperforming the broader market.
06/11/2024	FSI reported a decrease in NTA backing per share from 273.4c to 266.4c between September and October 2024.
07/11/2024	FSI released a Chairman's Address to the shareholders outlining strong FY2024 performance with a 29.0% return, significantly outperforming the ASX All Ordinaries Index. Followed up by stating that FSI remains committed to sustainable growth, increasing dividends by 4.7% and maintaining a robust outlook supported by quality growth companies.
05/12/2024	FSI reported an increase in NTA backing per share from 266.4c to 281.4c between October and November 2024.
06/01/2025	FSI reported a decrease in NTA backing per share from 281.4c to 258.9c between November and December 2024.
24/01/2025	FSI released its Shareholders' Quarterly Report for December 2024. Key highlights include the sale of allocations in Nuix, Block, RIO and XRO. Portfolio performance for the quarter declined at negative 1.4% but was in line with ASX All Ordinaries.
03/02/2025	FSI reported an increase in NTA backing per share from 258.9c to 277.0c between December and January 2025.
07/02/2025	FSI released its report for the half-year ended 31 December 2024. Key highlights include a positive 9.1% performance over the last 6 months compared to 16.2% in the year prior.
26/02/2025	FSI announced interim dividends of 5.1 cents per share from 4.9c per share the prior year.
05/03/2025	FSI reported a decrease in NTA backing per share from 277.0c to 254.5c between January and February 2025.
02/04/2025	FSI reported a decrease in NTA backing per share from 254.5c to 220.9c between February and March 2025.
23/04/2025	FSI released its Shareholders' Quarterly Report for March 2025. Key highlights include allocations in Temple & Webster with increase holdings of GYG and Block. Portfolio performance for the quarter declined at negative 8.8%, below the performance of the ASX All Ordinaries.
02/05/2025	FSI reported an increase in NTA backing per share from 220.9c to 228.3c between March and April 2025.
05/06/2025	FSI reported an increase in NTA backing per share from 228.3c to 239.5c between April and May 2025.
03/07/2025	FSI reported an increase in NTA backing per share from 239.5c to 248.1c between May and June 2025.
22/07/2025	FSI released its Shareholders' Quarterly Report for June 2025. Key highlights include allocations in NobleOak and sales of CSL Limited due to concerns of pending vaccination approvals and tariff arrangements with the United States. Portfolio performance for the quarter was 5.6%, below the performance of the ASX All Ordinaries.
07/08/2025	FSI reported an increase in NTA backing per share from 248.1c to 263.4c between May and June 2025.
08/08/2025	FSI released its Annual Report for the year ended 30 June 2025. Key highlights include a 1.4% decrease in NTA over the year, and a portfolio return of 5.0%, underperforming the ASX All Ordinaries Index which returned 9.5%. The company paid final dividends of 5.25 cents per share, representing 4.1% of the opening NTA value.
03/09/2025	FSI reported a decrease in NTA backing per share from 263.4c to 259.4c between July and August 2025.

Source: Capital IQ as at 3 September 2025, BDOCF analysis

5.5.2 Liquidity of FSI shares on the ASX

The rate at which equity instruments are traded is generally referred to as the ‘liquidity’ of the equity instruments. Changes in liquidity may impact the trading price of equity instruments. This is particularly dependent on the number of equity instruments required to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the equity instruments or a shift in value of the company to which the equity instruments relate as a whole.

Table 5.7 summarises the monthly liquidity of FSI shares from 1 September 2024. Liquidity has been summarised by considering the following:

- ▶ Volume of FSI share trades per month;
- ▶ Value of total trades in FSI shares per month;
- ▶ Number of FSI shares traded per month as a percentage of total FSI shares outstanding at the end of the month;
- ▶ The monthly low daily VWAP and high daily VWAP of the Company; and
- ▶ Volume weighted average price per month.

Table 5.7: Liquidity of FSI shares on the ASX

Month	Volume	Turnover (AUD\$)	Shares Outstanding	Volume / Shares Outstanding	Monthly VWAP
September 2025 (to 3rd)	9,970	21,215.60	25,857,260	0.04%	\$2.1279
August 2025	236,280	501,436.87	25,857,260	0.91%	\$2.1222
July 2025	292,400	579,403.74	25,857,260	1.13%	\$1.9815
June 2025	44,740	84,857.08	25,857,260	0.17%	\$1.8967
May 2025	87,310	164,537.25	25,857,260	0.34%	\$1.8845
April 2025	121,250	227,399.63	25,857,260	0.47%	\$1.8755
March 2025	84,670	173,215.00	25,857,260	0.33%	\$2.0458
February 2025	194,060	420,035.75	25,857,260	0.75%	\$2.1645
January 2025	57,230	121,394.01	25,857,260	0.22%	\$2.1212
December 2024	118,540	260,108.99	25,857,260	0.46%	\$2.1943
November 2024	187,030	385,156.42	25,857,260	0.72%	\$2.0593
October 2024	400,440	798,994.63	25,857,260	1.55%	\$1.9953
September 2024	295,250	557,676.34	25,857,260	1.14%	\$1.8888
Total	2,129,170	4,295,431.30	25,857,260	8.23%	\$2.0174

Source: Capital IQ as at 3 September 2025, BDOCF analysis

Based on 25.9 million FSI shares on issue, approximately 8.2% of the total shares on issue were traded over the period 1 September 2024 to 3 September 2025.

5.6 Historical financial information of FSI

This section sets out the historical financial information of FSI. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in FSI’s annual reports, including the full Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position and Statements of Cash Flows.

FSI’s financial statements have been audited by Augmented Audit Co Pty Ltd. BDOCF has not performed any audit or review of any type on the historical financial information of FSI and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

5.6.1 Statements of profit or loss and other comprehensive income

Table 5.8 summarises the Consolidated Statement of Profit or Loss and Other Comprehensive Income of FSI for the 12-month periods ended 30 June 2023, 2024 and 2025.

Table 5.8: FSI consolidated statement of profit or loss and other comprehensive income

A\$('000)	Ref	12 months ended 30-Jun-2023 audited	12 months ended 30-Jun-2024 audited	12 months ended 30-Jun-2025 audited
Other income	A	1,794	1,645	1,516
Other expenses		(402)	(495)	(470)
Operating Profit		1,392	1,150	1,046
Fair value change in derivatives		-	-	-
Finance expense	B	(1,737)	(1,806)	(1,868)
Performance fee	C	(1,061)	(2,656)	(45)
Profit/(loss) before income tax		(1,406)	(3,312)	(867)
Income tax credit	D	599	1,036	308
Profit/(loss) for the year		(807)	(2,276)	(559)
Other comprehensive income				
Changes in fair value of financial assets	E	8,683	18,921	2,720
Other tax (expense)/benefits	F	(2,605)	(5,676)	(816)
Other comprehensive income for the year, net of tax		6,078	13,245	1,904
Total comprehensive income		5,271	10,969	1,345

Source: FSI FY2023, FY2024 and FY2025 Annual Reports, BDOCF analysis

Notes to Table 5.8

A	Other income decreased from FY23 through to FY25, primarily driven by a reduction in dividends received. Dividend income fell by 12.8% in FY24 and a further 8.4% in FY25, while interest revenue had minor fluctuations over the same period.
B	Finance expenses increased from FY23 through to FY25, this represents the amortisation of the convertible notes issued in October 2021 (refer to Section 5.4.2 for more detailed background on the convertible notes).
C	- In FY24, FSI recognised AU\$2.7 million performance fee payable to investment manager, ECPAC. This was due to a portfolio return of 29.0%. - In FY25, FSI recognised \$45k performance fee payable, a reduction on FY24, due to a reduced portfolio return of 5.0%.
D	Income tax credit fluctuated year-on-year due to changes in pre-tax loss, primarily driven by performance fees but also finance expenses and investment returns.
E	In FY24, FSI recorded \$18.9 million in unrealised gains, underpinned by a 29.0% portfolio return which elevated the fair value of investments held. The decline in FY25 corresponds to reduced portfolio performance.
F	Tax expense rose from \$2.6 million in FY23 to \$5.7 million in FY24 primarily driven by substantial unrealised investment gains, then declined to \$816 k in FY25 as revaluation gains moderated.

5.6.2 Statements of financial position

Table 5.9 summarises FSI statements of financial position as at 30 June 2023, 2024 and 2025.

Table 5.9: FSI's summarised consolidated statements of financial position

A\$('000)	Ref	12 months ended 30-Jun-2023 audited	12 months ended 30-Jun-2024 audited	12 months ended 30-Jun-2025 audited
Assets				
Cash and cash equivalents	A	1,739	1,684	3,199
Trade receivables and other assets		150	110	83
Intangible assets		5	5	5
Financial assets at fair value through other comprehensive income	B	71,770	86,385	80,332
Total assets		73,664	88,184	83,619

A\$('000)	Ref	12 months ended 30-Jun-2023 audited	12 months ended 30-Jun-2024 audited	12 months ended 30-Jun-2025 audited
Liabilities				
Trade and other payables	C	1,085	2,696	80
Tax payable	D	879	1,750	90
Deferred tax liability	E	1,238	4,131	4,547
Convertible notes	F	18,025	18,735	19,348
Total liabilities		21,227	27,312	24,065
Net assets		52,437	60,872	59,554
Equity				
Issued capital		36,488	36,488	36,488
Other reserves	G	13,405	24,116	23,357
Option premium on convertible notes		507	507	507
Retained earnings	H	2,037	(239)	(798)
Total equity		52,437	60,872	59,554

Source: FSI FY2023, FY2024 and FY2025 Annual Reports, BDOCF analysis

Notes to Table 5.9

A	► Cash and cash equivalents increased \$1.5 million in FY25 primarily due to the Company selling investments throughout the year and holding a larger percentage of the portfolio in cash as at 30 June 2025.
B	► FSI's portfolio of financial assets at fair value through other comprehensive income ('OCI') increased from \$71.8 million in FY23 to \$86.4 million in FY24, supported by strong revaluation gains and net investment activity. However, in FY25 the balance declined to \$80.3 million, reflecting higher levels of disposals relative to new additions and only modest revaluation gains.
C	► Trade and other payables increased through FY23 to FY24, as performance fees were accrued (FY23 \$1.1 million; FY24 \$2.7 million) and then fell to \$80k in FY25 as a result of a lower performance fee being payable. Trade and other payables are all contractually due within six months of reporting date.
D	► Tax payable increased from \$879k in FY23 to \$1.7 million in FY24 due to a higher level of realised investment gains. In FY25, this liability was largely settled and, with fewer gains realised during the year, the closing balance decreased to \$90k.
E	► Deferred tax liability tracks the cumulative unrealised gains in the portfolio. It increased from \$1.2 million in FY23 to \$4.1 million in FY24 and then to \$4.6 million in FY25, reflecting strong revaluations in FY23 to FY24 and a smaller uplift in FY25.
F	► Convertible note liability increased from \$18.0 million in FY23 to AU\$19.3 million in FY25, reflecting the growth in amortised cost over time, offset by interest payments. This liability will continue to increase until maturity in FY27. At that point, any notes that have not been converted to equity will be settled through repayment.
G	► Other reserves comprise the asset revaluation reserve and the asset realisation reserve. Changes in fair value of investments are recognised in OCI and accumulated in the asset revaluation reserve within equity. When an investment is sold or an exit event occurs, these unrealised gains or losses are not reclassified to profit or loss. Instead, the balance is transferred from the asset revaluation reserve to the asset realisation reserve. Accordingly, this equity account captures value movements from both market growth (or contraction) and realised profits (or losses) from disposals. ► The asset realisation reserve increased from \$10.3 million in FY23 to \$14.3 million in FY24, due to the disposal and realisation of gains. In FY25, the asset realisation reserve decreased to \$12.7 million as dividend payouts exceeded new realised gains. Between FY23 and FY25, the asset revaluation reserve account increased from \$3.1 million to \$10.7 million, reflecting portfolio revaluation gains, partly offset by transfers to the realisation reserve when investments were sold.
H	► Retained earnings declined from \$2.0 million in FY23 to negative \$0.8 million in FY25, driven by consecutive years of net loss from lower dividend and interest income, further impacted by elevated performance fees in FY24.

5.6.3 Statements of cash flows

Table 5.10 summarises FSI's Statement of Cash Flows for the 12-month periods ended 30 June 2023, 2024 and 2025.

Table 5.10: FSI's summarised consolidated statements of cash flows

A\$('000)	Ref	12 months ended 30-Jun-2023 audited	12 months ended 30-Jun-2024 audited	12 months ended 30-Jun-2025 audited
Cash flows from operating activities				
Dividends received		1,738	1,555	1,406
Interest Received		80	130	118
Payments to suppliers and employees	A	(411)	(1,540)	(3,111)
Interest paid on convertible notes		(1,099)	(1,096)	(1,256)
Net cash (outflow)/inflow from operating activities		308	(951)	(2,843)
Cash flows from investing activities				
Proceeds from sale of investments		22,116	32,905	49,271
Income tax paid on gains on sale of investments		(953)	(876)	(1,752)
Payments for investments		(22,201)	(28,599)	(40,498)
Net cash (outflow)/inflow from investing activities	B	(1,038)	3,430	7,021
Cash flows from financing activities				
Dividends paid	C	(2,456)	(2,534)	(2,663)
Net cash (outflow)/inflow from financing activities		(2,456)	(2,534)	(2,663)
Net increase/(decrease) in cash held		(3,186)	(55)	1,515
Net cash at beginning of year		4,925	1,739	1,684
Net cash at end of year		1,739	1,684	3,199

Source: FSI FY2023, FY2024 and FY2025 Annual Reports, BDOCF analysis

Notes to Table 5.10

A	- Payments to suppliers and employees rose steadily from FY23 to FY25, though the increase was largely a function of working capital timing rather than higher underlying costs. - In FY23 and FY24, cash outflows were suppressed by the accrual of performance fees into trade payables (\$1.1 million and \$2.7 million respectively). The unwind of these accruals in FY25, when \$2.6 million was paid down, drove the sharp rise in cash outflows to \$3.1 million, even though the current-year performance fee expense was minimal at \$45k.
B	- Net cash from investing activities shifted from an outflow of \$1.0 million in FY23 to inflows of \$3.4 million in FY24 and \$7.0 million in FY25. This turnaround was driven by net realisations, as sale proceeds exceeded new purchases. - In FY24 the proceeds from sale of investments exceeded the payments for investments although the difference was largely offset by operating activities and dividends paid. - In FY25 the proceeds from sale of investments exceeded the payments for investments by a larger amount leading to additional cash being retained in the Company relative to FY23 and FY24.
C	Annual dividends were distributed in FY23 through to FY25 despite volatile market conditions and varying portfolio performance. In this period, interim and final dividends rose from 4.75 cents to 5.1 and 5.2 cents per share, respectively, reflecting a consistent uplift in shareholder distributions.

6.0 Industry Overview

FSI operates in the funds management industry.

The information presented in this section has been compiled from a range of publicly available sources, together with information taken from various databases to which we subscribe. BDOCF has not independently verified any of the information and we recommend that users of this Report refer to the original source of any information listed in this section. This section should be referred to as a guide only.

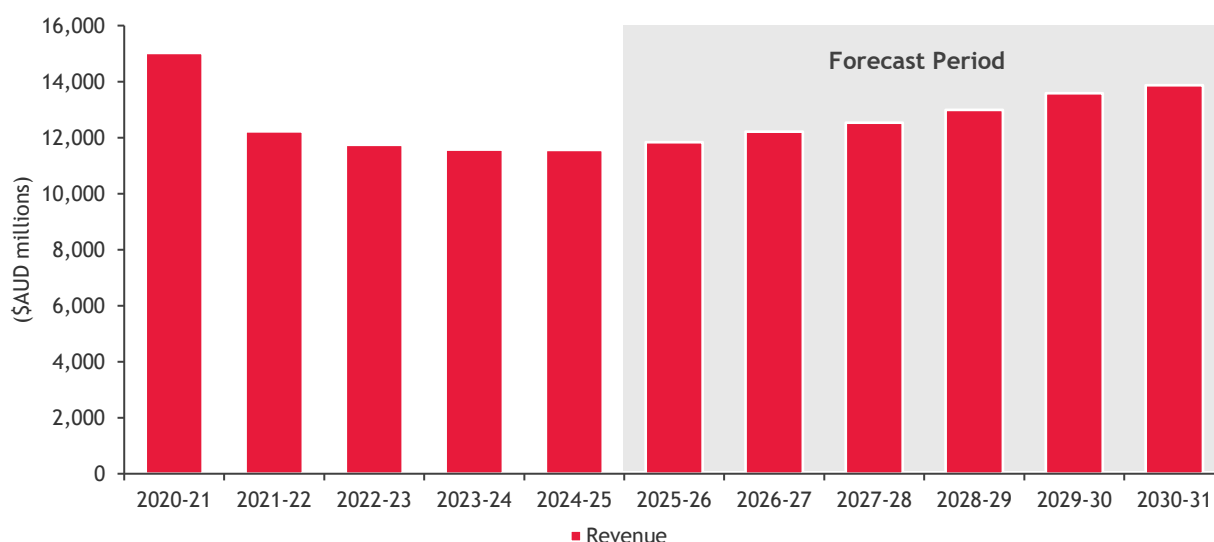
6.1 Funds Management Services Industry

The funds management services industry provides fund management services, including insurance funds management, public offer unit trusts, government funds and overseas funds. The Australian fund management industry is one of the largest globally, managing over \$4.7 trillion in assets across superannuation, managed funds, institutional mandates and listed investment vehicles as at June 2023.³ Across the industry, revenue is closely tied to investment flows, with income typically comprising a mix of ongoing management fees based on funds under management ('FUM') and performance fees.

Rising equity markets and inflows will net increase FUM while downturns or redemptions reduce FUM. In FY25, the Australian funds management services market generated approximately \$11.6 billion in annual revenue, marking a modest decline in recent years amid competitive pressures and cost compression.⁴

Figure 6.1 sets out the industry revenue figures from FY21 to forecast FY31.

Figure 6.1: Historical and forecast revenue in the funds management services industry



Source: IBISWorld, July 2025, BDOCF analysis

The landscape spans boutique managers focused on specialist strategies alongside large, multi-asset institutions serving superannuation funds and global clients. Small fund managers typically have a FUM of between \$300.0 million and \$2.0 billion, and large managers, over \$200.0 billion. The four largest players within the industry are estimated to have accounted for approximately 57.0% of total industry revenue as at July 2025.

6.2 Funds

The Australian funds management industry offers a broad suite of funds designed to meet the needs of both retail and institutional investors. Funds may differ in terms of their legal structure, liquidity, cost, and investor base, but most are managed on a revenue model that involves fee-for-FUM arrangements and/or performance fees.

Below we have summarised a number of different fund types.

Managed Investment Scheme

Managed investment schemes ('MIS'), most commonly structured as unit trusts, remain the dominant form of pooled investment vehicle in Australia. As at June 2024, there were over 3,610 registered schemes with ASIC.⁵ MIS are widely used by both retail and wholesale investors and can provide exposure to equities, fixed income, property, infrastructure, and alternative asset classes.

³ "The State of the Funds Management Industry Report", KPMG and Financial Services Council, June 2023

⁴ "Funds Management Services in Australia", IBISWorld, July 2025

⁵ "ASIC Annual Report 2024" pg. 235, ASIC, October 2024

Listed Investment Companies and Trusts

LICs and listed investment trusts ('LITs') are closed-end products traded on the ASX with a fixed capital base and therefore do not create or redeem units in response to investor flows. Instead, investors trade shares on a listed exchange, which may trade at a premium or discount to NTA. As at July 2025, there were 89 LICs and LITs listed on the ASX, with an average daily trading volume of \$49.7 million.⁶

Superannuation Funds

Superannuation is the largest product category, representing approximately 65.0% of total assets managed under funds as at June 2023.¹ The sector has experienced sustained growth over the decades, driven by compulsory employer contributions, population growth, and investment returns. KPMG forecasts superannuation assets to reach \$8.6 trillion under management by 2040.⁷

The influence of superannuation funds has important implications for other investment vehicles. Institutional mandates dominate capital allocation, while LICs and MIS generally attract limited superannuation investment, with retail and high-net-worth individuals remaining their core investor base.

Exchange-traded Funds

ETFs have rapidly increased in popularity due to the low-cost, accessible, liquid, and transparent structure. As at July 2025, there are 388 listed ETFs on the ASX with an average daily volume of \$694.0 million.⁴

6.3 Products

Australian fund managers provide access to a wide range of asset classes through different investment strategies. These strategies can be grouped into passive and active approaches. Passive funds aim to replicate the performance of a chosen market index or benchmark and are generally lower cost. Active funds involve managers making investment decisions with the objective of outperforming a benchmark and usually charge higher fees to reflect the greater level of management required.

Table 6.1 sets out the common assets classes available to investors in Australia.

Table 6.1 Asset Allocation of Australian Managed Funds Institutions.

Asset	% of total funds	Description
Overseas assets	23.69%	Overseas investments include international debt and equity securities providing diversification through exposure to mature and emerging markets. This asset class has grown to surpass domestic equities and units in trusts, reflecting the increasing allocation by large Australian superannuation funds as their scale outpaces the capacity of domestic markets. ⁸
Units in trusts	23.33%	Unit trusts are investment structures where assets are held by a trustee on behalf of unit holders. The terms of the trust deed set out each holder's entitlement to income, capital, or a combination of both.
Shares	18.64%	Australian equities include shares traded on an organised domestic stock exchange, shares in unlisted companies.
Other assets	10.86%	Other assets include derivatives, other financial assets, non-financial assets, and alternative investments (e.g. infrastructure, commodities and farmland), private equity, real estate, and hedge funds.
Land, buildings, and equipment	9.20%	Land and buildings comprise of investments in commercial and industrial real estate. The asset class proportion of total industry revenue has decreased over the past five years due to stronger share market performance.
Deposits	8.07%	Deposits include funds which are invested in the holding accounts of banks and other institutions in return for interest payments. Institutional deposits increased shortly after the Global Financial Crises, driven by higher interest rate offerings, but this asset class has been in steady decline since 2012. ⁹
Bonds	6.22%	Bonds include both short-term and long-term debt securities. This asset class primarily comprises of longer-term debt, given the declining number of short-term securities available in Australia following the GFC. Since peaking at 45.0% in 1988, allocations to this asset class have steadily declined. ¹ Australia now has one of the lowest asset allocations to bonds globally, reflecting a strong preference for growth assets such as Australian equities. ¹⁰

Source: Australian Bureau of Statistics, December 2023, BDOCF analysis

⁶ "ASX Investment Products", ASX, July 2025

⁷ "Super Insights", KPMG, May 2022

⁸ "Super funds boost allocation to global equities as industry grows by \$6.3B every week", J.P. Morgan, November 2024

⁹ "Bank Funding in 2024", RBA, April 2025

¹⁰ "Trends in demand for AGS by the superannuation sector" Australian Office of Financial Management, April 2023

6.4 Fees

The industry adopts various types of fees depending on the fund structure, including management fees, performance fees, administration fees, upfront fees, buy-sell spreads, exit fees and others.

Management fees are typically the most material and commonly disclosed cost component. On average, management average fees are approximately 0.8% for an active fund and 0.3% for a passive fund, with fees for active funds reaching as high as 2.3% annually.¹¹

Performance fees are additional charges that some fund managers levy when investment returns exceed a specified benchmark or hurdle rate. They are generally structured as a percentage of the excess return, most commonly in the range of 10.0% to 25.0%, and are often subject to safeguards such as high-water marks (which ensure that performance fees are only charged on returns above the fund's previous peak value, so investors are not charged for recovering past losses)¹².

Administration fees are charged by funds to cover administrative costs, which may include maintenance of corporate records, preparation of financial statements and share registry liaison.

¹¹ "The lowdown on fund fees - part 1", Morningstar, October 2021

¹² "Fees for Managed Funds - the normal and the not so normal", Morningstar, June 2018

APPENDIX A: GLOSSARY

Reference	Definition
A\$ or \$	Australian dollars
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
AGM	Annual general meeting
APES 225	APEX 225 <i>Valuation Services</i>
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
Authorised Investment	A listed security on the ASX, an unlisted security, options, debt instruments, or any other asset defined in the MSA
BDO Persons	The partners, directors, agents or associates of BDO
BDOCF	BDO Corporate Finance Ltd
Board, the	The board of directors of the Company
Capital Commitment, the	The amount committed to an investment in the Fund up to \$11.9 million
Company, the	Flagship Investments Limited
Corporation Act, the	<i>The Corporations Act 2001 (Cth)</i>
Directors, the	The Directors of the Company
Dr Pohl	Dr Emmanuel Pohl AM
ECPAC	EC Pohl & Co Pty Ltd
ECPAM	ECP Asset Management Pty Ltd
ECPRE	EC Pohl & Co RE Ltd
ESG	Environmental, social and governance
EV	Enterprise value
FSG	Financial Services Guide
FSI	Flagship Investments Limited
FUM	Funds under management
Fund, the	ECP Private Growth Fund
FY	The financial year or 12-month period ended on 30 June
LIC	Listed investment company
LIT	Listed investment trust
Management	Management of FSI
Manager, the	EC Pohl & Co Pty Ltd
Meeting, the	General meeting to be held on or around 6 November 2025
MIS	Managed investment scheme
MSA	Management services agreement
Non-Associated Directors, the	The non-associated directors of FSI
Non-Associated Shareholders, the	The non-associated shareholders of FSI
Notice of Meeting, the	The Notice of Meeting and Explanatory memorandum dated 3 October 2025 prepared by FSI
NTA	Net tangible assets
OCI	Other comprehensive income
Proposed Transaction, the	FSI to invest up to \$11.9 million in the Fund via a subscription agreement
Regulations, the	The Corporation Regulations 2001
Report, this	This independent expert's report prepared by BDOCF and dated 29 September 2025
RG 111	Regulatory Guide 111: Content of Expert Report, issued by ASIC
RGs	Regulatory guides published by ASIC

Shareholders, the	The holders of fully paid ordinary shares in the Company
Subscription Agreement, the	The subscription agreement between FSI and ECPRE for an investment in the Fund
Substantial Asset	5% or more of the value of the equity interests of the entity under ASX Listing Rule 10.2
Substantial Holder	A person who has relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the Company under ASX 10.1.3
VWAP	Volume weighted average price
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