

Alceon Debt Income Fund

ARSN 650 960 820

Annual Report For the year ended 30 June 2025

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These financial statements cover the Alceon Debt Income Fund as an individual entity.

The Responsible Entity of the Alceon Debt Income Fund is Melbourne Securities Corporation Limited (ABN 57 160 326 545). The Responsible Entity's registered office is Level 2, 395 Collins Street, Melbourne, VIC 3000.

Directors' report

The directors of Melbourne Securities Corporation Limited (ACN 160 326 545, AFSL 428 289), the Responsible Entity of Alceon Debt Income Fund, present their report together with the financial statements of Alceon Debt Income Fund (the "Fund") for the year ended 30 June 2025.

Principal activities

The Fund was constituted on 9 August 2018. It commenced operations as an unregistered scheme under the name Freehold Debt Income Fund.

On June 2021, the Fund name was changed to the Alceon Debt Income Fund and the Fund was registered with ASIC for retail distribution.

The Fund seeks to generate attractive risk-adjusted returns by lending primarily to Australian mid-market real estate companies to finance real estate assets in Australian gateway cities (primarily Sydney and Melbourne) including residential, office, industrial, and retail real estate assets. It is intended that the Fund will lend to fund construction of such real estate assets, as well as to fund developed real estate assets. The structure of this lending consists of the Fund subscribing for notes issued by Alceon Real Estate Senior Credit Fund Ltd ("ARESCF") which in turn subscribes for notes issued by intermediary special purpose vehicles ("SPVs"), which provide the lending to the ultimate borrowers.

The Fund did not have any employees during the year.

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

Directors

The following persons held office as directors of Melbourne Securities Corporation Limited during the period of this report:

Matthew Fletcher
Shelley Brown
Michael Fleming
Steven O'Connell
Ruth McClelland

The directors do not hold units in the Fund.

Service Providers

Service	Provider
Investment Manager	Alceon Real Asset Management Pty Ltd.
Unit registry service provider	Apex Fund Services Pty Ltd (an Apex Group Company)
Custodian	Apex Fund Services Pty Ltd (an Apex Group Company)

Review and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statements (PDS) and the provisions of the Constitution.

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

	Year ended	
	30 June	30 June
	2025	2024
Operating profit/(loss) for the year (\$'000)	21,700	14,395
Distributions paid and payable (\$'000)	21,197	18,153
Distributions (cents per unit)	9.0200	12.3495

Directors' report (continued)

Significant changes in state of affairs

In July 2023, all of the Fund's loan assets were transferred to a newly formed intermediary entity, ARESCF, which issued loan notes to the Fund in exchange for the loan assets. ARESCF functions as a holding entity for the Fund's investments and the investment risks and rewards pass through to the Fund. There are no additional fees charged by ARESCF but entities related to the parent company of ARESCF and the Investment Manager may earn establishment or origination fees from the ultimate borrowers. The shares of ARESCF are 100% owned by Alceon Capital Investment Trust, an entity related to the Investment Manager of the Fund.

Other than matters raised elsewhere in the directors' report, in the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial year.

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Melbourne Securities Corporation Limited. So long as the officers of Melbourne Securities Corporation Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditors

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity and its associates

Fees paid to the Trustee and the Responsible Entity and their associates out of Fund property during the year are disclosed in Note 13 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 13 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 7 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

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

Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Directors' report (continued)

Auditor's independence declaration under section 307C of the Corporations Act 2001

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors.



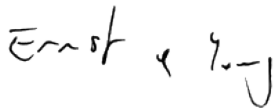
Shelley Brown
Director
Melbourne Securities Corporation Limited

Melbourne
25 September 2025

Auditor's independence declaration to the directors of Melbourne Securities Corporation Limited as Responsible Entity of Alceon Debt Income Fund

As lead auditor for the audit of the financial report of Alceon Debt Income Fund for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.



Ernst & Young



Rohit Khanna
Partner
25 September 2025

Alceon Debt Income Fund
Statement of comprehensive income
For the year ended 30 June 2025

Statement of comprehensive income

		Year ended	
	Notes	30 June 2025 \$'000	30 June 2024 \$'000
Investment income			
Interest income		26,963	17,330
Other income		129	168
Total net investment income		27,092	17,498
Expenses			
Management fees	13	3,660	2,210
Performance fees	13	1,248	594
Administration fees		143	83
Responsible entity fees	13	143	90
Other expenses		198	126
Total operating expenses		5,392	3,103
Operating profit/(loss) for the year		21,700	14,395
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		21,700	14,395

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

Alceon Debt Income Fund
Statement of financial position
As at 30 June 2025

Statement of financial position

		As at	
	Notes	30 June 2025 \$'000	30 June 2024 \$'000
Assets			
Cash and cash equivalents	8	138	402
Receivables	10	106	276
Financial assets at fair value through profit or loss	4, 5	257,824	191,215
Total assets		258,068	191,893
Liabilities			
Distributions payable	7	3,142	7,035
Redemptions payable		5,906	4,941
Payables	11	1,613	915
Total liabilities		10,661	12,891
Net assets attributable to unitholders - equity	6	247,407	179,002

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

Alceon Debt Income Fund
Statement of changes in equity
For the year ended 30 June 2025

Statement of changes in equity

		Year ended	
	Notes	30 June 2025 \$'000	30 June 2024 \$'000
Total equity at the beginning of the financial year		179,002	-
Reclassification due to AMIT tax regime implementation*		-	98,216
Profit/(loss) for the year		21,700	14,395
Other comprehensive income		-	-
Total comprehensive income/(loss)		21,700	14,395
Applications	6	157,828	155,296
Redemptions	6	(92,510)	(71,701)
Distributions paid and payable	6	(21,197)	(18,153)
Reinvestment of distributions	6	2,584	949
Total transactions with unit holders		46,705	66,391
Total equity at the end of the financial year		247,407	179,002

*Effective from 1 July 2023, the Fund's units have been reclassified from financial liability to equity since the Fund satisfies the AMIT tax regime requirements. Refer to Note 1 and Note 6 for further details. As a result, equity transactions, including distributions have been disclosed in the above statement for the years ended 30 June 2025 and 30 June 2024.

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

Alceon Debt Income Fund
Statement of cash flows
For the year ended 30 June 2025

Statement of cash flows

		Year ended	
		30 June	30 June
		2025	2024
	Notes	\$'000	\$'000
Cash flows from operating activities			
Proceeds from sale of investments		-	20
Subscriptions of loan notes to ARESCF		(77,996)	(108,122)
Repayments of loan notes in ARESCF		38,350	41,080
Other income received		267	-
Management fees paid		(3,576)	(2,094)
Administration fees paid		(143)	(83)
Performance fees paid		(594)	(319)
Responsible entity fees paid		(143)	(90)
Other expenses paid		(206)	(170)
Net cash inflow/(outflow) from operating activities	9(a)	(44,041)	(69,778)
Cash flows from financing activities			
Proceeds from applications by unitholders		157,828	155,296
Payments for redemptions by unitholders		(91,545)	(66,760)
Distributions paid		(22,506)	(11,530)
Net cash inflow/(outflow) from financing activities		43,777	77,006
Net increase/(decrease) in cash and cash equivalents		(264)	7,228
Cash and cash equivalents at the beginning of the year		402	(6,826)
Cash and cash equivalents at the end of the year	8	138	402
Non-cash operating and financing activities			
Reinvestment of distributions	9(b)	2,584	949
Transfer of ARESCF notes		-	106,843

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

1 General information

These financial statements cover Alceon Debt Income Fund (the "Fund") as an individual entity. The Fund was constituted on 9 August 2018 and commenced operations on 1 October 2019.

The Fund was registered with Australian Securities and Investments Commission on 22 June 2021.

Melbourne Securities Corporation Limited (the "Responsible Entity") was appointed as responsible entity of the Fund on 4 August 2022. The Responsible Entity's registered office is L2 395 Collins Street, Melbourne VIC 3000. The Investment Manager of the Fund is Alceon Real Asset Management Pty Ltd. The financial statements are presented in Australian Dollars.

The Fund seeks to generate attractive risk-adjusted returns by lending primarily to Australian mid-market real estate companies to finance real estate assets in Australian gateway cities (primarily Sydney and Melbourne) including residential, office, industrial, and retail real estate assets. It is intended that the Fund will lend to fund construction of such real estate assets, as well as to fund developed real estate assets. The structure of this lending consists of the Fund subscribing for notes issued by Alceon Real Estate Senior Credit Fund Ltd ("ARESCF") which in turn subscribes for notes issued by intermediary special purpose vehicles ("SPVs"), which provide the lending to the ultimate borrowers.

The financial statements were authorised for issue by the directors of the Responsible Entity on 25 September 2025. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

In July 2023, all of the Fund's loan assets were transferred to a newly formed intermediary entity, ARESCF, which issued loan notes to the Fund in exchange for the loan assets. ARESCF functions as a holding entity for the Fund's investments and the investment risks and rewards pass through to the Fund. There are no additional fees charged by ARESCF but entities related to the parent company of ARESCF and the Investment Manager may earn establishment or origination fees from the ultimate borrowers. The shares of ARESCF are 100% owned by Alceon Capital Investment Trust, an entity related to the Investment Manager of the Fund.

Subsequent to the transfer, applications to the Fund are invested in loan notes in ARESCF, which uses the proceeds to lend to special purpose vehicles of Australian real estate companies (including Alceon entities) to finance real estate assets in Australian gateway cities.

Subsequent to the Fund's loan note subscription to ARESCF, additional Alceon investment entities subscribed for ARESCF loan notes. ARESCF's collection of interest, principal, and fees from its borrowers is distributed to the Alceon entities, including the Fund, pro-rata according to their respective loan note subscriptions.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

The Fund met the eligibility requirements in order to be classified as a Managed Investment Trust and is now governed by the AMIT tax regime. Consequently, the units have been reclassified from financial liability to equity effective 1 July 2023. See Note 6 for further information.

2 Summary of material accounting policy information

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the *Corporations Act 2001* in Australia. The Fund is a for-profit unit trust for the purpose of preparing the financial statements.

The financial statements are prepared on an accruals basis and are based on historical costs, except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities.

i. Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

ii. New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2024 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

iii. New standards and interpretations not yet adopted

Unless they are early adopted, AASB 18 Presentation and Disclosure in Financial Statements, issued on 14 June 2024, and AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments, issued on 5 August 2024, will first apply to the Fund in the financial years ending 30 June 2028 and 30 June 2027, respectively. The Directors do not expect material changes to the Fund's financial statements as a result of the adoption of these new and amended standards. The Directors intend to adopt these new and amended standards in the required financial years. No other accounting standards, interpretations or amendments that have been issued are expected to have a material impact on the Fund's financial statements.

2 Summary of material accounting policy information (continued)

(b) Financial instruments

(i) Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund holds its subscriptions to notes issued by ARES CF as financial assets at fair value through profit or loss, and manages and evaluates the performance of the investments on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager to evaluate the information about its financial assets on a fair value basis together with other related financial information.

For cash and cash equivalents and receivables, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise, on specified dates, to cash flow that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

Financial liabilities are classified at amortised cost (distributions payable, management fees payable, applications received in advance, audit and tax fees payable, administration fees payables and custodian fees payable).

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date).

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

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(iii) Measurement

(a) Financial assets and liabilities at fair value through profit or loss:

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments at fair value through profit or loss in the period in which they arise and exclude interest and dividends which are presented separately in the statement of comprehensive income.

For further details on how the fair values of financial instruments are determined please see Note 4 to the financial statements.

(b) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when derecognition, modification, or impairment occurs.

(iv) Impairment

At each reporting date, the Fund shall measure the loss allowance on financial assets at amortised cost (cash and cash equivalents, and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in statement of comprehensive income.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2 Summary of material accounting policy information (continued)

(b) Financial instruments (continued)

(v) Offsetting financial instruments (continued)

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

(c) Unitholders' equity

Units may be redeemable at the unitholders option; however redemptions are subject to the Fund's redemption policy.

The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

The Fund's units are classified as equity as they satisfy the following criteria under AASB 132 Financial Instruments: Presentation:

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

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

(e) Investment income

Investment income consists of loan interest, line fees and bank interest received. Loan interest and line fees also include those amounts capitalised in the year.

Income is measured at the fair value of the consideration received or receivable. Interest income is calculated using the contractual interest rates per the loan agreements.

(f) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders. The benefits of any imputation credits and foreign tax are passed on to unitholders.

(h) Distributions

The Fund intends to fully distribute its distributable income, which at the option of the unit holders may be reinvested into the Fund or received in cash. Such distributions are determined by reference to the taxable income of the Fund. Distributable income includes capital gains arising from the disposal of investments. Unrealised gains and losses on investments that are recognised as income are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains.

The distributions are recognised in the statement of changes in equity.

(i) Receivables

Receivables may include amounts for interest, dividends and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables. For more information on impairment refer to Note 2(b) to the financial statements.

(j) Payables

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unitholders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

2 Summary of material accounting policy information (continued)

(k) Applications and redemptions

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

(l) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55% hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO).

Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows under operating cash flows on a gross basis.

(m) Significant accounting judgements, estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Other disclosures relating to the Fund's exposure to risks and uncertainties includes Note 3 - Financial risk management and Note 4 - Fair value measurement.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 4 for further disclosures.

(n) Rounding of amounts

The Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3 Financial risk management

The Fund's activities expose it to a variety of financial risks: credit risk and liquidity risk.

The Fund's risk management policies are approved by the Responsible Entity and seek to minimise the potential adverse effects of the risks on the Fund's financial performance. The risk management system is an ongoing process of identification, measurement, monitoring and controlling risk.

The Fund seeks to generate attractive risk-adjusted returns by lending to Australian mid-market real estate companies to finance residential real estate assets primarily in Sydney and Melbourne. The Fund will not lend directly to the real estate companies, but it lends through Special Purpose Vehicles (SPVs), Alceon Real Estate Senior Credit Fund Ltd ("ARESCF") and funds established by Alceon (Investment Entities). Alceon is a leading Australian non-bank corporate lender and investment firm. All loans made by the Investment Entities will be originated and managed by Alceon. The Fund may also finance office, industrial and retail real estate assets. It is intended that the Fund will invest in fund construction of real estate assets, as well as to fund developed real estate assets. The Fund may also retain any amounts in cash or cash equivalents pending investment if the Trustee (on recommendation from the Investment Manager) considers it to be consistent with the investment objective of the Fund.

Compliance with policies and exposure limits are reviewed by the Responsible Entity on a continual basis.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

(a) Market risk

(i) Interest rate risk

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

The Fund is exposed to interest rate risks via the Fund's investments which are managed through the investment process.

3 Financial risk management (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

The Fund's interest bearing financial assets expose them to risks associated with the effects of fluctuation in the prevailing levels of market interest rates on their financial positions and cash flows.

The following table demonstrates the sensitivity of an increase or decrease in the Fund's net assets attributable to unitholders for the year to a reasonably possible change in interest rates, with all other variables held constant. The sensitivity of the increase or decrease in the net assets attributable to unitholders for the year is the effect of the assumed changes in interest rate on:

- the net interest income for the year, based on the floating rate instruments held at fair value through profit or loss held at the end of the reporting period;
- changes in fair value of investments for the year, based on revaluing fixed rate financial assets and liabilities at the end of the reporting period.

There is no sensitivity effect on the other comprehensive income (OCI) as the Fund has no assets classified as fair value through OCI (or as available-for-sale under IAS 39) or designated hedging instruments. In practice, the actual trading results may differ from the below sensitivity analysis and the difference could be significant.

	Change in basis points	Sensitivity of interest income increase/(decrease) \$'000	Sensitivity of changes in fair value of investments Increase/(decrease) \$'000
30 June 2025			
Investments in loan notes in ARESCF	+100/-100	270/(270)	2,578/(2,578)
30 June 2024			
Investments in loan notes in ARESCF	+100/-100	173/(173)	1,912/(1,912)

(b) Credit risk

Credit risk refers to the risk that the counterparty will default on its obligations resulting in financial loss to the Fund.

The Fund is exposed to credit risk on debt investments. These classes of financial assets are not subject to AASB 9's impairment requirements as they are measured at fair value through profit or loss. The carrying value of these assets represents the Fund's maximum exposure to credit risk on financial instruments not subject to the AASB 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

The following table shows the Fund's investments which are exposed to underlying loans that are:

	% of Fund's investment portfolio exposed to underlying loans	\$'000 Value of Fund's investment portfolio exposed to underlying loans
2025		
In Default	4.59%	11,834
Past Due	1.94%	5,002
Current	93.47%	240,988
	% of Fund's investment portfolio exposed to underlying loans	\$'000 Value of Fund's investment portfolio exposed to underlying loans
2024		
In Default	2.60%	4,971
Past Due	-	-
Current	97.40%	186,244

The Fund is also exposed to credit risk on distributions and interest receivable. The credit risk associated with distribution and interest receivable is considered to be minimal since none of these amounts are impaired nor past due but not impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Fund's liquidity risk is managed in accordance with the Fund's investment strategy and through the continuous monitoring of the forecast and actual cash flows.

3 Financial risk management (continued)

(c) Liquidity risk (continued)

The following table details the Fund's remaining contractual maturity for its non-derivative financial liabilities and unitholders' equity with agreed repayment periods. The table has been drawn up based on the earliest date on which the Fund can be required to pay.

	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000	Not stated maturity \$'000	Total \$'000
As at 30 June 2025						
Distributions payable	3,142	-	-	-	-	3,142
Redemptions payable	5,906	-	-	-	-	5,906
Payables	1,613	-	-	-	-	1,613
Unitholders' equity	247,407	-	-	-	-	247,407
Total	258,068	-	-	-	-	258,068
As at 30 June 2024						
Distributions payable	7,035	-	-	-	-	7,035
Redemptions payable	4,941	-	-	-	-	4,941
Payables	915	-	-	-	-	915
Unitholders' equity	179,002	-	-	-	-	179,002
Total	191,893	-	-	-	-	191,893

In the case of unitholders' equity, the units may be redeemed subject to the Fund's redemption policy. Redemptions of units in the Fund require a minimum notice period of one full calendar month and will be processed during the following month. Unitholders may request to withdraw some or all of their investment, subject to a limit of Net Withdrawals from all Investors collectively to 5% of the Fund's Net Asset Value per quarter. Further details on restrictions and other terms related to withdrawals can be found in the Fund's Product Disclosure Statement.

The termination date for the notes to which the Fund has subscribed from ARESCF is 1 July 2033, 10 years from the initial subscription date. As per the note deed poll, collections received from ARESCF from its underlying loans may be used to make further advances to borrowers at the issuer's discretion.

(d) Concentration risk

Concentrations arise when counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Fund's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The following table shows the value of notes which are exposed to underlying loans based on geographic locations:

LOCATION	2025		2024	
	% of Fund's investment portfolio	\$'000	% of Fund's investment portfolio	\$'000
ACT	13.83%	35,657	12.90%	24,683
NSW	30.25%	77,992	31.10%	59,498
QLD	1.62%	4,171	4.30%	8,240
VIC	41.42%	106,778	36.20%	69,147
SA	2.50%	6,442	2.70%	5,207
WA	7.25%	18,691	2.10%	3,992
New Zealand	3.13%	8,093	10.70%	20,448

The following table shows the value of notes which are exposed to underlying loans based on property type:

PROPERTY TYPE	2025		2024	
	% of the Fund	\$'000	% of the Fund	\$'000
Residential	65.91%	169,925	64.60%	123,525
Commercial	0.91%	2,359	3.90%	7,457
Industrial	11.32%	29,192	13.80%	26,388
Land	17.54%	45,227	15.00%	28,682
Other	4.32%	11,121	2.70%	5,163

4 Fair value measurement

Financial assets at fair value through profit or loss are measured on a recurring basis.

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

4 Fair value measurement (continued)

(a) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

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

(b) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

(c) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2025 and 30 June 2024.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2025				
Financial assets at fair value through profit or loss				
Investments in loan notes in ARESCF	-	-	257,824	257,824
Total	-	-	257,824	257,824
As at 30 June 2024				
Financial assets at fair value through profit or loss				
Investments in loan notes in ARESCF	-	-	191,215	191,215
Total	-	-	191,215	191,215

(d) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels for the year ended 30 June 2025 (30 June 2024: nil).

(e) Fair value measurements using significant unobservable inputs

The following table presents the movement in level 3 instruments for the period ended 30 June 2025 and 30 June 2024 by class of financial instrument.

	Unlisted unit trust loan notes \$'000
Opening balance - 1 July 2024	191,215
Subscriptions to loan notes issued by ARESCF	77,996
Repayments of notes issued by ARESCF	(38,350)
Capitalised interest income	26,963
Closing balance - 30 June 2025	257,824
Opening balance - 1 July 2023	106,843
Transfer of loan notes to ARESCF	(106,843)
Investment in loan notes issued by ARESCF in exchange for the transfer of loan notes from the Fund	106,915
Subscriptions to loan notes issued by ARESCF	108,050
Repayments of notes issued by ARESCF	(41,080)
Capitalised interest income	17,330
Closing balance - 30 June 2024	191,215

4 Fair value measurement (continued)

(e) Fair value measurements using significant unobservable inputs (continued)

i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements. See Note 4(b) for the valuation techniques adopted.

Description	Valuation methodology	Fair value \$'000	Unobservable inputs	Range of inputs	Weighted average input
As at 30 June 2025					
Investments in loan notes issued by ARESCF	Discounted cash flows	257,824	Discount rate	3.03% - 23.88%	13.33%
As at 30 June 2024					
Investments in loan notes issued by ARESCF	Discounted cash flows	191,215	Discount rate	10.22-26.83%	13.75%

Fair values calculated using the discounted cash flow methodology are highly sensitive to changes in market discount rates. For the Fund, this sensitivity is mitigated by several factors including the short term nature of the loans, the value of the assets which are security for the loans, and the predominantly floating rate interest profile of the loans. At 30 June 2025, the weighted average forecast tenor of the loan portfolio is 10.3 months (30 June 2024: 8.9 months), the weighted average peak LVR (loan to value ratio) is 64.0% (30 June 2024: 62.2%), and 88.5% (30 June 2024: 76.3%) of the loans have a floating interest rate.

A 10% increase or decrease in the value of the Fund's investments would result in a \$25,782,400 (FY24: \$19,121,500) increase or decrease in the Fund's profit or loss and net assets.

ii. Valuation processes

When the fair values of items recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of items in the statement of financial position and the level where the items are disclosed in the fair value hierarchy.

In the absence of a quoted price in an active market, the Fund's investments are valued using valuation models, such as the discounted cash flow method and the market approach. The models require management to make certain assumption about the model inputs, including forecast cash flows, the discount rate, credit risk, volatility, and consideration of the assets that are security for the loans. For these financial instruments, significant inputs into models are unobservable and are included within level 3 of fair value hierarchy.

(f) Financial instruments not carried at fair value

The carrying values of cash and cash equivalents, receivables and payables approximate their fair values due to their short-term nature.

Net assets attributable to unitholders are valued at the redemption amount. Units are classified as equity as they meet the conditions to be classified as equity.

5 Financial assets at fair value through profit or loss

	As at 30 June 2025 \$'000	As at 30 June 2024 \$'000
Financial assets at fair value through profit or loss		
Investments in loan notes issued by ARESCF	<u>257,824</u>	<u>191,215</u>
Total financial assets at fair value through profit or loss	<u>257,824</u>	<u>191,215</u>

6 Unitholders' equity

Under AASB 132 Financial Instruments: Presentation, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions set out in Note 2(c). The Fund's units are classified as equity as they meet the definition of a financial instrument to be classified as equity.

6 Unitholders' equity (continued)

Movements in the number of unitholders' equity to unitholders during the year were as follows:

	Year ended 30 June 2025		Year ended 30 June 2024	
	Units 000	\$'000	Units 000	\$'000
Opening balance	179,012	179,002	96,177	98,216
Applications	157,342	157,828	151,071	155,296
Redemptions	(91,514)	(92,510)	(69,160)	(71,701)
Distributions paid and payable	-	(21,197)	-	(18,153)
Reinvestment of distributions	2,575	2,584	924	949
Profit/(loss) for the year	-	21,700	-	14,395
Closing balance	247,415	247,407	179,012	179,002

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

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

Units are redeemed on demand at the unitholder's option, subject to the Fund's redemption policy. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unitholders as capital which is classified as equity. The amount of unitholders' equity can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

7 Distribution to unitholders

The distributions for the year were as follows:

	Year ended 30 June 2025		Year ended 30 June 2024	
	\$'000	CPU	\$'000	CPU
Distributions				
July	1,360	0.7290	773	0.7560
August	1,508	0.7290	807	0.7490
September	1,521	0.6930	849	0.7225
October	1,579	0.6930	892	0.7740
November	1,666	0.6750	911	0.7560
December	1,814	0.7110	1,021	0.8280
January	1,820	0.7100	1,011	0.8010
February	1,653	0.6800	1,271	0.8550
March	1,623	0.6800	1,236	0.7920
April	1,774	0.7400	1,281	0.7380
May	1,737	0.7100	1,066	0.6480
June (payable)	3,142	1.2700	7,035	3.9300
Total distributions	21,197	9.0200	18,153	12.3495

8 Cash and cash equivalents

	As at	
	30 June 2025	30 June 2024
	\$'000	\$'000
Cash at bank	138	402
Total cash and cash equivalents	138	402

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

	Year ended	
	30 June 2025 \$'000	30 June 2024 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	21,700	14,395
Proceeds from sale of financial instruments at fair value through profit or loss	38,350	41,100
Purchase of financial instruments at fair value through profit or loss	(77,996)	(108,122)
Interest income capitalised	(26,963)	(17,350)
Net change in receivables	170	(224)
Net change in payables	698	423
Net cash inflow/(outflow) from operating activities	(44,041)	(69,778)

(b) Non-cash financing activities

The following distribution payments to unitholders were satisfied by the issue of units under the distribution reinvestment plan

	2,584	949
Total non-cash operating and financing activities	2,584	949

10 Receivables

	As at	
	30 June 2025 \$'000	30 June 2024 \$'000
Other receivable	106	276
Total receivables	106	276

11 Payables

	As at	
	30 June 2025 \$'000	30 June 2024 \$'000
Management fees payable	326	242
Performance fees payable	1,248	594
Other payables	39	79
Total payables	1,613	915

12 Auditor's remuneration

	Year ended	
	30 June 2025 \$	30 June 2024 \$
Ernst & Young		
Audit and other assurance services		
Audit of annual financial statements	19,700	17,900
Review of half-year financial statements	11,750	10,700
Total auditor remuneration and other assurance services	31,450	28,600
Taxation services		
Tax compliance services	11,849	6,977
Total remuneration for taxation services	11,849	6,977
Total remuneration of Ernst & Young	43,299	35,577
Moore Australia		
Audit and other assurance services		
Audit of compliance plan	5,250	5,000
Total remuneration of Moore Australia	5,250	5,000

The auditor's remuneration is borne by the Fund. Fees are stated exclusive of GST.

13 Related party transactions

(a) Responsible Entity

The Responsible Entity of the Fund is Melbourne Securities Corporation Limited (ABN 57 160 326 545).

13 Related party transactions (continued)

(b) Directors

Key management personnel includes persons who were directors of Melbourne Securities Corporation Limited acting as the Responsible Entity during the financial year:

Matthew Fletcher
Shelley Brown
Michael Fleming
Steven O'Connell
Ruth McClelland

(c) Fund structure

The Fund's notes are invested in ARESCF, which is 100% owned by Alceon Capital Investment Trust, a related party of the Investment Manager. Alceon Real Asset Management Pty Ltd is also the Investment Manager of ARESCF. The Investment Manager does not earn fees from services provided to ARESCF.

ARESCF provides funding to ultimate borrowers through intermediary entities, some of which are related parties.

(d) Other key management personnel

Alceon Real Asset Management Pty Ltd is the investment manager and is a related party.

(e) Key management personnel compensation

The Directors of the Responsible Entity were paid by Melbourne Securities Corporation Limited.

(f) Related party unitholdings

Key management personnel at Alceon Real Asset Management Pty Ltd hold 246,828 (2024: 246,828) units at 30 June 2025, which have a value of \$249,963 (2024: \$256,528).

(g) Other entities with significant influence over the Fund

Alceon Real Asset Management Pty Ltd. continues to act as the Investment Manager of the Fund. The Investment Manager was paid a total of \$3,660,253 in management fees (2024: \$2,209,998) and \$1,248,257 performance fees (2024: \$593,929) during the year.

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

Under the terms of the Fund's Constitution and Product Disclosure Statements (PDS) for the Fund, the Responsible Entity is entitled to receive fees for its services and the Investment Manager is entitled to receive management fees and performance fees for its services.

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

	Year ended 30 June 2025 \$	30 June 2024 \$
Management fees for the year	3,660,253	2,209,998
Performance fees for the year	1,248,257	593,929
Responsible Entity fees for the year	143,419	90,484
Management fees payable at year end	326,089	241,752
Performance fees payable at year end	1,248,257	593,929

For information on how management fees and performance fees are calculated please refer to the Fund's Product Disclosure Statement.

14 Events occurring after the reporting period

No matters or circumstances have arisen since the end of the reporting period which significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in future financial years.

15 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2025 and 30 June 2024.

Directors' declaration

In the opinion of the Directors of Melbourne Securities Corporation Limited, the Responsible Entity of Alceon Debt Income Fund (the "Fund"), declares that:

- (a) the financial statements and notes set out on pages 6 to 20 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2025 and its performance for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- (c) note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Shelley Brown
Director
Melbourne Securities Corporation Limited

Melbourne
25 September 2025

Independent auditor's report to the unitholders of Alceon Debt Income Fund

Opinion

We have audited the financial report of Alceon Debt Income Fund (the Fund), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information and the directors' declaration.

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

- a. Giving a true and fair view of the Fund's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Information other than the financial report and auditor's report thereon

The directors of Melbourne Securities Corporation Limited, the Responsible Entity of the Fund, are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

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Responsibilities of the directors of the Responsible Entity for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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



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

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'Rohit Khanna'.

Rohit Khanna
Partner
Sydney
25 September 2025