Alexander Credit Income Fund

ARSN 629 915 199

Annual report
For the year ended 30 June 2025

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Independent auditor's report to the unit holders of Alexander Credit Income Fund

This annual report covers Alexander Credit Income Fund as an individual entity.

The Responsible Entity of Alexander Credit Income Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street
Melbourne, VIC 3000.

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of Alexander Credit Income Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2025.

Principal activities

The Fund invests in a diversified portfolio of primarily investment grade Australasian fixed income credit assets in accordance with the Product Disclosure Statement and the provisions of the Fund’s Constitution.

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.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Alexander Funds Management Pty Ltd
Custodian	JPMorgan Chase Bank, N.A.
Administrator	Unity Fund Services Pty Ltd
Statutory Auditor	Ernst & Young

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the year and up to the date of this report:

Michael J O'Brien	Chairman
Russell W Beasley	(resigned 9 October 2024, reappointed 1 July 2025)
Mary A O'Connor	(resigned 1 July 2025)
David B Warren	
Andrew P Godfrey	
Johanna E Platt	(appointed 9 October 2024)

Review and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 7.58% (net of fees) for the year ended 30 June 2025. The Fund's benchmark, the AusBond Bank Bill Index plus 1% returned 5.36% for the same period.

The Fund’s performance return is based on GIPS. Performance data is calculated by Unity Fund Services and reviewed by Alexander Funds Management on a daily basis at a minimum, and at month end or other ad hoc pricing points. The performance return is calculated by dividing the current period’s NAV by the previous period’s NAV, less any accumulated or paid fees and costs and after accounting for any applications or redemptions from the previous period.

Directors' report (continued)

Review and results of operations (continued)

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

	Year ended	
	30 June 2025	30 June 2024
Profit/(loss) for the year ($'000)	**44,101**	35,242
Distributions paid and payable ($'000)	**45,671**	32,358
Distributions (cents per unit)	**7.3044**	6.9068

Significant changes in the state of affairs

On the 6 January 2025 the Fund changed distribution frequency from quarterly to monthly.

In the opinion of the directors, there were no other 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 matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may have a significant effect on:

i. the operations of the Fund in future financial years; or
ii. the results of those operations in future financial years; or
iii. the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

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 regard to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees 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 auditor

The Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Fund against a liability incurred as auditor.

Directors' report (continued)

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

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 16 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 16 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 9 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 a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.

Andrew P Godfrey
Director

Melbourne
24 September 2025

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Auditor's independence declaration to the directors of Equity Trustees Limited as Responsible Entity for Alexander Credit Income Fund

As lead auditor for the audit of the financial report of Alexander Credit 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

Ernst & Young

Jonathan Hall
Partner
24 September 2025

Statement of comprehensive income

	Note	Year ended 30 June 2025 $'000	30 June 2024 $'000
Income			
Interest income from financial assets at fair value through profit or loss		**30,817**	19,734
Interest income from financial assets at amortised cost		**724**	485
Distribution income		**13,711**	12,415
Net foreign exchange gain/(loss)		**(36)**	(13)
Net gains/(losses) on financial instruments at fair value through profit or loss		**3,045**	5,671
Total income/(loss)		**48,261**	38,292
Expenses			
Management fees and costs	16(g)	**4,160**	3,037
Other expenses		**-**	13
Total expenses		**4,160**	3,050
Profit/(loss) for the year		**44,101**	35,242
Other comprehensive income		**-**	-
Total comprehensive income for the year		**44,101**	35,242

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

Statement of financial position

	Note	As at **30 June 2025** **$'000**	 30 June 2024 $'000
Assets			
Cash and cash equivalents	11	**45,038**	33,316
Margin accounts		**3,100**	500
Receivables	13	**2,540**	6,572
Financial assets at fair value through profit or loss	5	**677,812**	515,077
Total assets		**728,490**	555,465
Liabilities			
Distributions payable	10	**8,672**	14,070
Payables	14	**765**	771
Financial liabilities at fair value through profit or loss	6	**2,530**	379
Total liabilities		**11,967**	15,220
Net assets attributable to unit holders - equity	9	**716,523**	540,245

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

Statement of changes in equity

	Note	Year ended 30 June 2025 $'000	30 June 2024 $'000
Total equity at the beginning of the financial year		**540,245**	366,323
Comprehensive income for the financial year			
Profit/(loss) for the year		**44,101**	35,242
Other comprehensive income		**-**	-
Total comprehensive income		**44,101**	35,242
Transactions with unit holders			
Applications	9	**315,385**	240,581
Redemptions	9	**(144,235)**	(74,102)
Reinvestment of distributions	9	**6,698**	4,559
Distributions paid and payable	9	**(45,671)**	(32,358)
Total transactions with unit holders		**132,177**	138,680
Total equity at the end of the financial year		**716,523**	540,245

The above statement of changes in equity should be read in conjunction with the accompanying notes with reference to Notes 2(c) and 9.

Statement of cash flows

	Note	Year ended 30 June 2025 $'000	30 June 2024 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**354,365**	453,362
Payments for purchase of financial instruments at fair value through profit or loss		**(511,904)**	(633,115)
Net movement in margin accounts		**(2,600)**	(500)
Interest income received from financial assets at amortised cost		**724**	485
Interest income received from financial assets at fair value through profit or loss		**30,169**	15,775
Distributions received		**17,714**	12,415
Management fees and costs paid		**(4,241)**	(2,860)
Other expenses paid		**-**	(14)
RITC/GST paid		**(25)**	(24)
Net cash inflow/(outflow) from operating activities	12(a)	**(115,798)**	(154,476)
Cash flows from financing activities			
Proceeds from applications by unit holders		**316,087**	238,626
Payments for redemptions by unit holders		**(144,160)**	(74,150)
Distributions paid to unit holders		**(44,371)**	(21,590)
Net cash inflow/(outflow) from financing activities		**127,556**	142,886
Net increase/(decrease) in cash and cash equivalents		**11,758**	(11,590)
Cash and cash equivalents at the beginning of the year		**33,316**	44,919
Effects of foreign currency exchange rate changes on cash and cash equivalents		**(36)**	(13)
Cash and cash equivalents at the end of the year	11	**45,038**	33,316
Non-cash operating and financing activities	12(b)	**6,698**	4,559

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

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1. General information

These financial statements cover Alexander Credit Income Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 9 November 2018 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The investment activities of the Fund are managed by Alexander Funds Management Pty Ltd (the investment manager). The custody and administration services of the Fund is delegated to JPMorgan Chase Bank, N.A. (the custodian), and Unity Fund Services Pty Ltd (the administrator).

The Fund invests in a diversified portfolio of primarily investment grade Australasian fixed income credit assets in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. Summary of material accounting policy information

The principal 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 Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, 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 and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders', the units are redeemable on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

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.

2. Summary of material accounting policy information (continued)

a. Basis of preparation (continued)

iii. New standards and interpretations not yet adopted

AASB 18 *Presentation and Disclosure in Financial Statements*

AASB 18 was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The new standard introduces new requirements for the statement of comprehensive income, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for “operating profit and “profit before financing and income taxes”.

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual years beginning on or after 1 January 2027 and will apply to the Fund for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the statement of comprehensive income and statement of financial position line items are presented as well as some additional disclosures in the notes to the financial statements. Management is in the process of assessing the impact of the new standard.

Certain amendments to accounting standards have been published that are not mandatory for the 30 June 2025 reporting year and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting years and on foreseeable future transactions.

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

The Fund’s portfolio of financial assets is managed and its performance is evaluated 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 these financial assets on a fair value basis together with other related financial information.

Unit trust and derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business objective. Consequently, the debt securities are measured at fair value through profit or loss.

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

2. Summary of material accounting policy information (continued)

b. Financial instruments (continued)

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable and payables).

ii. Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets or financial liabilities from this 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, 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

- Financial instruments at fair value through profit or loss

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

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities 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.

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

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses ("ECL").

Cash and cash equivalents, margin accounts and receivables are carried at amortised cost.

iv. Impairment

At each reporting date, the Fund shall estimate the loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, margin accounts and receivables) at an amount equal to the lifetime ECL 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 ECL. 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.

2. Summary of material accounting policy information (continued)

b. Financial instruments (continued)

iv. Impairment (continued)

The ECL approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the 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 the statement of comprehensive income.

v. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund has 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.

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. Net assets attributable to unit holders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

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 unit holders.

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 and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

2. Summary of material accounting policy information (continued)

e. Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents.

f. Income

i. Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities measured at fair value through the profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Interest income on financial assets at fair value through profit or loss is also recognised separately in the statement of comprehensive income. Changes in fair value of financial instruments at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

ii. Distributions

Trust distributions are recognised on an entitlement basis.

g. Expenses

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

Management fees and costs covers certain ordinary expenses such as management fees, Responsible Entity fees, custodian fees, audit fees, cost of unit holder meetings, special valuation of assets and other operating expenses.

h. Income tax

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

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as a expense.

i. Distributions

The Fund may distribute its distributable income, in accordance with the Fund’s Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of changes in equity.

2. Summary of material accounting policy information (continued)

j. Foreign currency translation

i. Functional and presentation currency

Balances included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments at fair value through profit or loss which is due to changes in foreign exchange rates. Such fluctuations are included in the net gains/(losses) on financial instruments at fair value through profit or loss.

k. Receivables

Receivables may include amounts for interest and trust distributions. 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.

l. Payables

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

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

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

m. 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.

2. Summary of material accounting policy information (continued)

n. Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts 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 related to GST are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as an operating cash flow.

o. Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

For the majority of the Fund’s financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations, require management to make estimates and judgements. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Fund estimates that the resultant ECL derived from using the impairment model has not materially impacted the Fund. Please see Note 3 for more information on credit risk.

For more information on how fair value is calculated refer to Note 4 to the financial statements.

p. Rounding of amounts

The Fund is an entity a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

q. Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on debt securities is limited to the fair value of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Alexander Funds Management Pty Ltd under an Investment Management Agreement (IMA) approved by the Responsible Entity and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

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. Price risk

The Fund is exposed to price risk on securities listed or quoted on recognised securities exchange.

Price risk arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

Price risk is managed by monitoring compliance with established investment mandate limits. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Fund invests moves by +/- 10% (2024: +/- 10%).

ii. Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

Foreign exchange risk is managed by the use of foreign currency contracts and spot contracts.

Foreign exchange risk is managed as a part of price risk.

3. Financial risk management (continued)

a. Market risk (continued)

The table below summarises the carrying amount of the Fund's financial assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

	US Dollars A$'000
As at 30 June 2025	
Cash and cash equivalents	**1,828**
Financial assets at fair value through profit or loss	**47**
Financial liabilities at fair value through profit or loss	**(2,530)**
Net exposure	**(655)**

	US Dollars A$'000
As at 30 June 2024	
Cash and cash equivalents	409
Financial liabilities at fair value through profit or loss	(379)
Net exposure	30

The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened and strengthened by 20% (2024: +/-20%) against the material foreign currencies to which the Fund is exposed.

iii. Cash flow and fair value interest rate risk

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 instruments expose it to risks associated with the effects of fluctuations in the prevailing market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. The impact of the interest rate risk on profit and net assets attributable to unit holders is considered material to the Fund.

Interest rate risk is the risk that a loss is incurred by the Fund's investments due to a change in the level of interest rates. Interest rate risk is measured through interest rate duration which represents loss in price of the Fund in percentage terms if interest rates widen by 100 basis points. As at 30 June 2025, the Fund's interest rate duration was 0.10 years (2024: 0.13 years).

The Fund's main interest rate risk arises from its investments in debt securities.

Interest rate risk is managed through the use of futures contracts on Australian government bonds to keep Fund interest rate duration within prescribed limits.

3. Financial risk management (continued)

a. Market risk (continued)

iii. Cash flow and fair value Interest rate risk (continued)

The table below summarises the Fund's exposure to interest rate risk at the end of the reporting period:

	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
As at 30 June 2025				
Financial assets				
Cash and cash equivalents	**45,038**	**-**	**-**	**45,038**
Receivables	**-**	**-**	**2,540**	**2,540**
Financial assets at fair value through profit or loss	**555,514**	**-**	**122,298**	**677,812**
Margin accounts	**-**	**3,100**	**-**	**3,100**
Total financial assets	**600,552**	**3,100**	**124,838**	**728,490**
Financial liabilities				
Distributions payable	**-**	**-**	**8,672**	**8,672**
Payables	**-**	**-**	**765**	**765**
Financial liabilities at fair value through profit or loss	**2,530**	**-**	**-**	**2,530**
Total financial liabilities	**2,530**	**-**	**9,437**	**11,967**
Net exposure	**598,022**	**3,100**	**115,401**	**716,523**

3. Financial risk management (continued)

a. Market risk (continued)

iii. Cash flow and fair value Interest rate risk (continued)

	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
As at 30 June 2024				
Financial assets				
Cash and cash equivalents	33,316	-	-	33,316
Receivables	-	-	6,572	6,572
Financial assets at fair value through profit or loss	343,780	-	171,297	515,077
Margin accounts	-	500	-	500
Total financial assets	377,096	500	177,869	555,465
Financial liabilities				
Distributions payable	-	-	14,070	14,070
Payables	-	-	771	771
Financial liabilities at fair value through profit or loss	379	-	-	379
Total financial liabilities	379	-	14,841	15,220
Net exposure	376,717	500	163,028	540,245

The table at Note 3(b) summarises the impact of an increase/decrease in interest rates on the Fund's operating profit and net assets attributable to unit holders through changes in fair value or changes in future cash flows. The analysis is based on the reasonably possible shift that the interest rates changed by +/- 100 basis points (2024: +/- 100 basis points) from the year end rates with all other variables held constant.

b. Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit/(loss) and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on profit/(loss)/net assets attributable to unit holders					
	Price risk		**Foreign exchange risk (USD)**		**Interest rate risk**	
	+10%	**-10%**	**+20%**	**-20%**	**+100bps**	**-100bps**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
As at 30 June 2025	**67,528**	**(67,528)**	**366**	**(366)**	**5,980**	**(5,980)**
As at 30 June 2024	51,470	(51,470)	82	(82)	3,772	(3,772)

3. Financial risk management (continued)

c. Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

This is the primary risk within the portfolio and it is analysed in many different ways by the Investment Manager. Credit limits, which are set through risk management processes, provide a framework for the amount of credit risk that the Fund can take, and this risk can be supplemented or hedged through the use of tools as credit derivative products.

Credit risk is the risk that a loss is incurred when the borrower or an issuer of a security fails to pay their principal or interest obligations when they are due. The primary way to measure this risk is through credit dollar value a basis point (credit DV01) and credit duration. Credit DV01 represents the amount that the Fund will lose if credit spreads widen in each asset that the Fund owns by one basis point. Credit duration represents the loss in price of the Fund in percentage terms if credit spreads widen by 100 basis points.

The following table sets out the credit DV01 and credit duration:

	Year ended	
	30 June 2025	30 June 2024
Credit DV01	**$102,860**	$78,320
Credit Duration	**1.41 years**	1.41 years

i. Debt securities

The Fund invests in debt securities which have an investment grade categorisation as rated by external rating agencies. For unrated assets, a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies. All debt securities must have a minimum investment grade as outlined in the Fund's Product Disclosure Statement.

An analysis of debt securities including the debt securities held by the unit trust and cash and cash equivalents by rating is set out in the table below:

	Year ended	
	30 June 2025 $'000	30 June 2024 $'000
Cash and cash equivalents rating		
A	**45,038**	33,316
Total	**45,038**	33,316

3. Financial risk management (continued)

c. Credit risk (continued)

i. Debt securities (continued)

	Year ended 30 June 2025 $'000	30 June 2024 $'000
Australian debt securities rating		
AAA	**28,203**	45,929
AA	**48,511**	67,121
A	**165,381**	148,208
BBB	**318,944**	202,799
BB	**108,691**	50,737
B	**8,035**	283
Total	**677,765**	515,077
Total	**722,803**	548,393

ii. Derivative financial instruments

The Fund may enter into a variety of derivative financial instruments to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which even the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Fund will use derivatives predominantly for hedging purposes. Where the Fund uses derivatives for investment purposes, it will set aside cash and investment grade listed ASX assets to meet the up-front notional exposure of that derivative over and above the cash and listed ASX assets level that is required to maintain for liquidity purposes. Accordingly, the use of derivatives for investment purposes will not generate leverage for the Fund.

iii. Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

iv. Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A (as determined by the Standard & Poor's) or higher.

3. Financial risk management (continued)

c. Credit risk (continued)

v. Other

The Fund is not materially exposed to credit risk on other financial assets.

vi. Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

d. 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.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests, margin calls on derivative transactions or to fund foreign exchange related cash flow requirements.

Liquidity risk is managed by holding some of the portfolio assets in securities that are liquid even in time of heightened volatility and conducting its investing activities in accordance with agreed guidelines and leverage ratios to ensure a minimal concentration of risk.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during 2025 and 2024.

i. Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month.

ii. Maturities of net settled derivative financial instruments

The table below analyses the Fund’s net settled derivative financial instruments based on their contractual maturity as at 30 June 2025 and 30 June 2024.

The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

	Less than 1 month $'000	**1-6 months $'000**	**6-12 months $'000**	**Over 12 months $'000**	**Total $'000**
As at 30 June 2025					
Options	**-**	**47**	**-**	**-**	**47**
Swaps	**-**	**-**	**-**	**(2,530)**	**(2,530)**
Total net settled derivatives	**-**	**47**	**-**	**(2,530)**	**(2,483)**
As at 30 June 2024					
Swaps	-	-	-	(379)	(379)
Total net settled derivatives	-	-	-	(379)	(379)

4. Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets/liabilities at fair value through profit or loss (see Note 5 and Note 6)
- Derivative financial instruments (see Note 7)

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 measurement 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).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

a. Significant observable inputs (Level 2)

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

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

Specific valuation techniques using observable inputs used to value financial instruments include:

- Debt instruments are valued using quoted market prices or dealer quotes for similar instruments
- Credit default swaps are valued using valuations provided by Bloomberg data provider
- Investments in unlisted unit trusts are valued at the redemption price per unit as reported by the underlying fund's investment manager

4. Fair value measurement (continued)

b. 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				
Asset backed securities	**-**	**208,484**	**-**	**208,484**
Corporate bonds	**-**	**166,160**	**-**	**166,160**
Options	**-**	**47**	**-**	**47**
Unlisted unit trust	**-**	**122,298**	**-**	**122,298**
Senior bank bonds	**-**	**22,167**	**-**	**22,167**
Subordinated notes	**-**	**158,656**	**-**	**158,656**
Total financial assets	**-**	**677,812**	**-**	**677,812**
Financial liabilities				
Swaps	**-**	**2,530**	**-**	**2,530**
Total financial liabilities	**-**	**2,530**	**-**	**2,530**
As at 30 June 2024				
Financial assets				
Asset backed securities	-	126,015	-	126,015
Corporate bonds	-	94,478	-	94,478
Unlisted unit trust	-	171,297	-	171,297
Senior bank bonds	-	40,779	-	40,779
Subordinated notes	-	82,508	-	82,508
Total financial assets	-	515,077	-	515,077
Financial liabilities				
Swaps	-	379	-	379
Total financial liabilities	-	379	-	379

c. Transfers 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 was no transfers between levels in the fair value hierarchy at the end of the reporting period.

The Management's policy for determining when transfers between levels are deemed to have occurred is to evaluate the observability of the inputs used in the fair value measurement at the end of each reporting period. Transfers are deemed to have occurred when inputs previously considered observable become unobservable or vice versa, or when additional inputs become available or are no longer available.

4. Fair value measurement (continued)

d. Financial instruments not carried at fair value

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

5. Financial assets at fair value through profit or loss

	As at	
	30 June 2025 $'000	30 June 2024 $'000
Asset backed securities	**208,484**	126,015
Corporate bonds	**166,160**	94,478
Subordinated notes	**158,656**	82,508
Unlisted unit trust	**122,298**	171,297
Senior bank bonds	**22,167**	40,779
Options	**47**	-
Total financial assets at fair value through profit or loss	**677,812**	515,077

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

6. Financial liabilities at fair value through profit or loss

	As at	
	30 June 2025 $'000	30 June 2024 $'000
Swaps	**2,530**	379
Total financial liabilities at fair value through profit or loss	**2,530**	379

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

7. Derivative financial instruments

In the normal course of business, the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values, foreign exchange risk or to reduce volatility;

7. Derivative financial instruments (continued)

- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed-delivery or forward commitment transactions. Leverage may be incurred when it is believed that is advantageous to increase the investment capacity of a Fund or to facilitate the clearance of transactions. Leverage creates opportunity for greater total returns for a Fund, but it also may magnify losses. The use of derivatives may also create leverage risk.

The Fund holds the following derivative:

a. Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. Options held by the Fund are exchange-traded . The Fund is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

b. Swaps

A credit default swap is an agreement whereby one counterparty pays a regular fee, usually expressed as a percentage of the notional principal, to another counterparty in return for security against default by the underlying loan or asset.

The Fund's derivative financial instruments measured at fair value at year end are detailed below:

	Contractual/ notional $'000	Assets $'000	Contractual/ notional $'000	Liabilities $'000
As at 30 June 2025				
Options	**1**	**47**	**-**	**-**
Swaps	**-**	**-**	**80,500**	**2,530**
Total derivatives	**1**	**47**	**80,500**	**2,530**
As at 30 June 2024				
Swaps	-	-	19,000	379
Total derivatives	-	-	19,000	379

8. Structured scheme

A structured scheme is a scheme that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the scheme, and the relevant activities are directed by means of contractual arrangement.

The Fund considers all investments in unlisted unit trust (the "Trust") to be a structured scheme. The Fund invests in Scheme for the purpose of capital appreciation and/or earning investment income.

The Fund controls Alexander Enhanced Credit Trust (Scheme) but does not consolidate Alexander Enhanced Credit Trust (Scheme). Alexander Enhanced Credit Trust (Scheme) is carried at fair value through profit or loss in accordance with the investment entity exception to consolidation.

The exposure to investments in unrealised Scheme at fair value is disclosed in the following table:

	Fair value of investment	
	As at 30 June 2025 $'000	As at 30 June 2024 $'000
Alexander Enhanced Credit Trust	**122,298**	171,297
Total unrelated trust	**122,298**	171,297

The fair value of the Scheme is included in financial assets at fair value through profit or loss in the statement of financial position.

The Fund's maximum exposure to loss from its interest in the Scheme is equal to the fair value of its investments in the Scheme as there are no off-balance sheet exposures relating to any of the Scheme. Once the Fund has disposed of its units in a Scheme it ceases to be exposed to any risk from that Scheme.

During the year ended 30 June 2025, total gains incurred on investments in the Scheme were $13,711,812 (2024: $11,914,595). The Fund also earned distribution income of $13,711,492 (2024: $12,415,363) as a result of its interests in the Scheme.

9. Net assets attributable to unit holders - equity

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments are 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. The Fund's units are classified as equity as they meet the definition of a financial instrument to be classified as equity.

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	Year ended		Year ended	
	30 June 2025 Units '000	**30 June 2025 $'000**	30 June 2024 Units '000	30 June 2024 $'000
Opening balance	**514,120**	**540,245**	352,564	366,323
Applications	**295,532**	**315,385**	227,261	240,581
Redemptions	**(135,543)**	**(144,235)**	(70,064)	(74,102)
Distributions paid and payable	**-**	**(45,671)**	-	(32,358)
Reinvestment of distributions	**6,326**	**6,698**	4,359	4,559
Profit/(loss) for the year	**-**	**44,101**	-	35,242
Closing balance	**680,435**	**716,523**	514,120	540,245

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 attaching to it as all other units of the Fund.

Units are redeemed on demand at the unit holders’ option. 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 unit holders as capital which is classified as equity. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

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 unit holders.

10. Distributions to unit holders

The distributions declared during the year were as follows:

	Year ended		Year ended	
	30 June 2025 $'000	**30 June 2025 CPU**	30 June 2024 $'000	30 June 2024 CPU
Distributions				
September	**8,451**	**1.5000**	5,558	1.4000
December	**9,062**	**1.5000**	6,095	1.3700
January	**3,710**	**0.6000**	-	-
February	**3,794**	**0.6000**	-	-
March	**5,276**	**0.8000**	6,635	1.4000
April	**3,552**	**0.5500**	-	-
May	**3,154**	**0.4800**	-	-
June (payable)	**8,672**	**1.2744**	14,070	2.7368
Total distributions	**45,671**	**7.3044**	32,358	6.9068

Starting 6 January 2025, the Fund declares monthly distributions.

11. Cash and cash equivalents

	As at	
	30 June 2025 $'000	30 June 2024 $'000
Cash at bank	**45,038**	33,316
Total cash and cash equivalents	**45,038**	33,316

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

(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
Profit/(loss) for the year	**44,101**	35,242
Proceeds from sale of financial instruments at fair value through profit or loss	**354,365**	453,362
Payments for purchase of financial instruments at fair value through profit or loss	**(511,904)**	(633,115)
Net gains/(losses) on financial instruments at fair value through profit or loss	**(3,045)**	(5,671)
Net change in receivables	**3,330**	(3,929)
Net change in payables	**(81)**	122
Net change in margin accounts	**(2,600)**	(500)
Effect of foreign currency exchange rate changes on cash and cash equivalents	**36**	13
Net cash inflow/(outflow) from operating activities	**(115,798)**	(154,476)

(b) Non-cash operating and financing activities	Year ended 30 June 2025 $'000	Year ended 30 June 2024 $'000
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	**6,698**	4,559
Total non-cash operating and financing activities	**6,698**	4,559

13. Receivables

	As at 30 June 2025 $'000	As at 30 June 2024 $'000
Distributions receivable	**648**	4,003
Applications receivable	**1,787**	2,489
GST receivable	**105**	80
Total receivables	**2,540**	6,572

14. Payables

	As at	
	30 June 2025 $'000	30 June 2024 $'000
Management fees and costs payable	**332**	413
Redemptions payable	**433**	358
Total payables	**765**	771

15. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of the Fund:

	Year ended	
	30 June 2025 $	30 June 2024 $
Ernst & Young		
Audit and other assurance services		
Audit and review of financial statements	**27,345**	16,068
Total remuneration for audit and other assurance services	**27,345**	16,068
Taxation services		
Tax compliance services	**7,077**	6,671
Total remuneration for taxation services	**7,077**	6,671
Total remuneration of Ernst & Young	**34,422**	22,739
Pricewaterhouse Coopers		
Audit and other assurance services		
Audit of compliance plan	**2,448**	2,400
Total remuneration for audit and other assurance services	**2,448**	2,400
Total remuneration of Pricewaterhouse Coopers	**2,448**	2,400

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

16. Related party transactions

The Responsible Entity of Alexander Credit Income Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The only related parties to the Fund as defined by AASB 124 *Related Party Disclosures* are the Responsible Entity, schemes managed by the Responsible Entity and key management personnel of the Responsible Entity.

a. Key management personnel

i. Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial year and up to the date of this report.

Michael J O'Brien	Chairman
Russell W Beasley	(resigned 9 October 2024, reappointed 1 July 2025)
Mary A O'Connor	(resigned 1 July 2025)
David B Warren	
Andrew P Godfrey	
Johanna E Platt	(appointed 9 October 2024)

ii. Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

b. Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

c. Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2025 (30 June 2024: nil).

d. Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

e. Key management personnel loans

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to key management personnel or their personally related entities at any time during the reporting period.

f. Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving management personnel's interests existing at year end.

16. Related party transactions (continued)

g. Responsible Entity fees and other transactions

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and its service providers as per Note 1:

	Year ended 30 June 2025 $	Year ended 30 June 2024 $
Management fees and costs for the year	**4,159,223**	3,037,336
Management fees and costs payable at year end	**331,646**	413,134

Equity Trustees Limited earned $299,496 (2024: $102,582) for Responsible Entity services provided to the Fund, paid from management costs.

Under the terms of the Fund’s Constitution and Product Disclosure Statement, management fees and costs includes responsible entity fees paid to the Responsible Entity, management fees paid to the Investment Manager and other costs (such as custody fees, administration fees and audit fees) paid to other unrelated parties. Please refer to the Fund's Product Disclosure Statement for information on how management fees and costs are calculated.

h. Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited) hold units in the Fund, as follows:

	Number of units held opening	Number of units held closing	Fair value of Investment $	Interest held %	No. of units acquired	No. of units disposed	Distributions paid/payable by the Fund $
As at 30 June 2025							
BNP Paribas Securities Services Pty Limited ACF EQT Responsible Entity Services Limited as RE for the Core Value Portfolio	**9,920,872**	**8,693,644**	**9,154,720**	**1.28**	**-**	**1,227,228**	**649,137**
As at 30 June 2024							
BNP Paribas Securities Services Pty Limited ACF EQT Responsible Entity Services Limited as RE for the Core Value Portfolio	13,224,196	9,920,872	10,424,981	1.93		3,303,324	776,716

16. Related party transactions (continued)

i. Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the year (2024: nil).

17. Events occurring after the reporting period

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2025 or on the results and cash flows of the Fund for the year ended on that date.

18. 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 the Responsible Entity:

(a) The financial statements and notes set out on pages 6 to 36 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 of 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; and

(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 Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.

Andrew P Godfrey
Director

Melbourne
24 September 2025

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Independent Auditor's Report to the unit holders of Alexander Credit Income Fund

Opinion

We have audited the financial report of Alexander Credit 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 Equity Trustees Limited (the Responsible Entity) 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.

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 of the Responsible Entity 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 of the Responsible Entity 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 of the Responsible Entity.

- Conclude on the appropriateness of the directors of the Responsible Entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

► Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors of the Responsible Entity 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.

Ernst & Young

Ernst & Young

Jonathan Hall

Jonathan Hall
Partner
Sydney
24 September 2025