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# Private Credit Income Fund

## Financial Statements

ARSN: 669 647 643

For the Year Ended 30 June 2024





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# Directors' Report

## For the Year Ended 30 June 2024

The Directors of Melbourne Securities Corporation Limited, the Responsible Entity of Remara Private Credit Income Fund, (the "Fund") present their report together with the financial statements of the Fund for the year ended 30 June 2024.

## Information on directors

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

- Matthew James Flechter
- Shelley Brown
- Michael Fleming
- Steven O'Connell
- Ruth McClelland

## Principal activities

The Fund invests in Australian credit investments with exposure to investments including syndicated loans, asset backed securities and collateralised debt obligations. The Fund seeks to add value through active allocations between individual securities and industries, while maintaining a highly diversified portfolio.

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	Melbourne Securities Corporation Limited
Investment Manager	Remara Investment Management Pty Ltd
Custodian	Perpetual Corporate Trust Limited
Administrator	Amal Trustees Pty Limited
Statutory Auditor	Ernst & Young

## Review and results of operations

The profit for the Fund amounted as at 30 June 2024 is \$1,351,007 (2023: \$82,172). The benchmark for the fund is BBSW rate plus 6% net of fund fees.



## Distributions

There were \$1,080,322 distribution paid during the year and \$241,144 declared as at 30 June 2024.

Gross Distribution 2024	Distribution/unit 2024	Gross Distribution 2023 (unaudited)	Distribution/unit 2023 (unaudited)
\$1,321,467	\$0.0572	\$82,172	\$0.0521

## Material changes in the state of affairs

The Fund registered with the Australian Securities and Investments Commission on 26 July 2023. Other than those specified above, there were no other changes in the state of affairs of the Fund during the year.

## Events subsequent to the end of the financial period

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of Entity, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial years.

## Future developments

Information on likely developments in the operations of the Fund and the expected results of the operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Fund.

## Indemnification and insurance of officers and auditors

During the period the Responsible Entity paid a premium in respect of a contract insuring the Directors and all executive officers of the Responsible Entity and of any related body corporate against liability incurred as such a Director or executive officer to the extent permitted by the *Corporations Act 2001*.

The Responsible Entity has not otherwise, during or since the end of the period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Fund or of any related body corporate against a liability incurred as such an officer or auditor.

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

There were \$21,032 fees had been paid to the Responsible Entity and its associates out of Fund property during the year. No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

Responsible Entity or its associates held no units in the Fund as at 30 June 2024.

## Interest in the fund

The Fund has issued 21,529,129 new units during the year. Movement in units on issue in the Fund during the year is disclosed in Note 8 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in 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 dollar

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

## Proceedings on behalf of the responsible entity

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Fund, or to intervene in any proceedings to which the Fund is a party for the purpose of taking responsibility on behalf of the Fund for all or part of those proceedings.

## 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 6.

This report is made in accordance with a resolution of the directors of Melbourne Securities Corporation Limited through a delegated authority given by the Melbourne Securities Corporation Limited Board.

Signed .....

Shelley Brown Director

Dated: 30 September 2024



**Building a better  
working world**

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## **Auditor's independence declaration to the directors of Melbourne Securities Corporation Limited as Responsible Entity for Remara Private Credit Income Fund**

As lead auditor for the audit of the financial reports of Remara Private Credit Income Fund for the financial year ended 30 June 2024, 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.

A handwritten signature in black ink that reads "Ernst &amp; Young".

Ernst & Young

A handwritten signature in black ink that reads "Luke Slater".

Luke Slater  
Partner  
Melbourne  
30 September 2024



# Statement of Comprehensive Income

For the Year Ended 30 June 2024

		Year ended 30 June 2024	For the period 17 August 2022 to 30 June 2023 (unaudited)
	Notes	\$	\$
<b>Income</b>			
Interest income from financial assets at amortised costs	4	1,429,728	87,146
Other income		718	-
Management fee reimbursement		57,885	7,489
<b>Total Income</b>		<b>1,488,331</b>	<b>94,635</b>
<b>Expenses</b>			
Management fees and costs		(131,287)	(12,463)
Other expenses		(6,037)	-
<b>Total Expenses</b>		<b>(137,324)</b>	<b>(12,463)</b>
<b>Profit before finance costs attributable to unit holders for the year</b>		<b>1,351,007</b>	<b>82,172</b>
<b>Finance costs attributable to unit holders</b>			
Distributions to unit holders	9	(1,321,467)	(82,172)
(Increase) in net assets attributable to unit holders	8	(29,540)	-
<b>Profit/(loss) for the year</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>

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





# Statement of Financial Position

As At 30 June 2024

		As at 30 June 2024	As at 30 June 2023 (unaudited)
	Notes	\$	\$
<b>Assets</b>			
Cash and cash equivalents	10 (a)	255,418	157,252
Receivables	5	189,032	21,200
Financial assets at amortised costs	6	23,230,261	1,416,284
<b>Total assets</b>		<b>23,674,711</b>	<b>1,594,736</b>
<b>Liabilities</b>			
Payables	7	539,809	18,504
<b>Total liabilities (excluding net asset attributable to unit holders)</b>		<b>539,809</b>	<b>18,504</b>
<b>Net assets attributable to unit holders - liability</b>		<b>23,134,902</b>	<b>1,576,232</b>

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



# Statement of Changes in Equity

## For the Year Ended 30 June 2024

	Year ended 30 June 2024	For the period 17 August 2022 to 30 June 2023 (unaudited)
	\$	\$
<b>Total equity at the beginning of the financial year</b>	-	-
Profit before finance costs for the year	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	-
Transactions with owners in their capacity as owners	-	-
<b>Total equity at the end of the financial year*</b>	-	-

\* Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year.

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



# Statement of Cash Flows

For the Year Ended 30 June 2024

		Year Ended 30 June 2024	For The Period 17 August 2022 To 30 June 2023 (Unaudited)
	Notes	\$	\$
<b>Cash flows from operating activities</b>			
Interest income received		1,289,066	73,435
Payment for purchase of financial instruments at amortised cost		(34,131,757)	(1,416,284)
Proceeds from maturity of financial instrument at amortised cost		12,538,511	-
Management costs and fees paid		(23,722)	(12,463)
Other income received		718	-
Other expense paid		(6,426)	-
<b>Net cash used in operating activities</b>	10 (b)	<b>(20,333,611)</b>	<b>(1,355,312)</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unit holders		21,707,977	1,576,232
Payments for redemptions by unit holders		(262,421)	-
Distribution paid to unit holders		(1,013,779)	(63,668)
<b>Net cash provided by financing activities</b>		<b>20,431,777</b>	<b>1,512,564</b>
<b>Net Decrease in cash and cash equivalents</b>		<b>98,166</b>	<b>157,252</b>
Cash and cash equivalents at beginning of year		157,252	-
<b>Cash and cash equivalents at end of financial year</b>	10 (a)	<b>255,418</b>	<b>157,252</b>
<b>Non-Cash Financing Activity</b>			
Distribution reinvestments		(83,573)	-
<b>Total non-cash financing activity</b>	10 (c)	<b>(83,573)</b>	<b>-</b>

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



# Notes to the Financial Statements

For the Year Ended 30 June 2024

## 1 General information

These financial statements cover Remara Private Credit Income Fund ("Fund") and have been prepared in accordance with the Fund's constitution to meet the needs of stakeholders of the Fund. The Fund is a for-profit entity, incorporated and domiciled in Australia.

The Fund is an Australian registered managed investment scheme which was constituted on 1 August 2022 and has remained in operation since inception. The Fund will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Fund invests in Australian credit investments with exposure to investments including syndicated loans, asset backed securities and collateralised debt obligations. The Fund seeks to add value through active allocations between individual securities and industries, while maintaining a highly diversified portfolio.

Melbourne Securities Corporation Limited (ABN 57 160 326 545) (AFSL 428289) was appointed as the Responsible Entity of Fund on 26 July 2023. The Responsible Entity's registered office is L2 395 Collins Street, Melbourne Vic 3000. The financial statements are presented in Australian Dollars.

The financial statements were authorised for issue by the directors of the Responsible Entity (the "Directors of the Responsible Entity") on 30 September 2024. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the year 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.



## 2 Summary of the material accounting policies (continued)

### (a) Basis of preparation (continued)

In the case of net assets attributable to unit holders, the units are redeemable 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 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 standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

## (b) Financial Instruments

### Classification

The Fund's financial assets are held at amortised cost. Expected credit loss provision after applying the security realisation forecast is nil. All loans are carried at par plus accrued unless impaired.

### Recognition / derecognition

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

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

Investments in funds are measured at fair value which, is determined by the net asset value of the investment in the fund. At each reporting date changes in the fair value of the investment are recorded as a gain or loss in the Statement of Comprehensive Income.

### Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Fund becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transaction costs. Financial instruments are classified and measured as set out below.

### Classification and Subsequent Measurement

#### Amortised cost

On initial recognition the Fund's financial assets are classified and measured at amortised cost. As the financial assets meet the following criteria they are also subsequently measured at amortised cost:

- The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.



## 2 Summary of the material accounting policies (continued)

### (b) Financial instruments / Amortised cost (continued)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

#### Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### Impairment of financial assets

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, receivables and debt securities) 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 expected credit loss (EGL) 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.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet 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.

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

### (c) Interest Income

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. Interest income on financial assets at fair value through profit or loss is also recognised in the statement of comprehensive income, included in the net gains/(losses) on financial instruments at fair value through profit or loss. 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.



## 2 Summary of the material accounting policies (continued)

### (d) Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

### (e) 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.

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 the financial 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 change in foreign exchange rates. Such fluctuations are included in the net gains/(losses) on financial instruments at fair value through profit or loss.

### (f) 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 immaterial 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.

### (g) Distributions

The Fund distributes 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 comprehensive income as finance costs attributable to unit holders.

### (h) 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 year in which the estimates are revised and in any future periods effected.

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.



## 2 Summary of the material accounting policies (continued)

### (h) Use of Estimates and Judgements (continued)

#### Key estimates - Expected Credit Loss (ECL)

Management assess ECL at each reporting date by evaluating conditions specific to the Fund that may lead to ECL on the assets. Where a probability of default arises, the recoverable amount of the asset is determined. Judgements performed in assessing recoverable amounts incorporate a number of key economic variables.

#### (i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. As the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

#### (j) Receivables

Collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The amount of the impairment loss recognised in the statement of comprehensive income within other expenses. Subsequent recoveries of written off are credited against other expenses in the statement of comprehensive income.

#### (k) Payables

Payables are recognised for amounts to be paid in the future for goods and services received at the point in which the obligation contractually arises. Amounts are generally paid within 30 days of being recorded as payables. Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

#### (l) 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.

#### (m) Taxation

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders on present entitlement basis. The Fund currently incurs withholding taxes imposed by certain recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense. The benefit of imputation credits and foreign tax paid are passed on to unit holders.

#### (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.





## 2 Summary of the material accounting policies (continued)

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 on a gross basis.

### Comparative period

The Fund was constituted on 1 August 2022, registered with the Australian Securities and Investments Commission on 26 July 2023 and commenced operations on 17 August 2022. The reporting period covers the 12 month year ending 30 June 2024, while the comparative period covers the period 17 August 2022 to 30 June 2023.

### (o) Net asset 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 are classified as financial liabilities as the Fund is required to distribute its distributable income in accordance with the Fund's Constitution.

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.

### (p) Rounding of amounts

The Fund is an entity of 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 dollar, unless otherwise indicated.

## 3 Financial Risk Management

The Fund's activities expose it to a variety of financial risks. It 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 management of these risks is overseen by the Fund's Investment Manager who manages the Fund's assets in accordance with its investment objective and conducts regular assessment processes in order to ensure that procedures and controls are adequately managing the risks arising from the Fund's investment activities.

Compliance is integrated into the day-to-day operations of the Responsible Entity which also has in place a framework to identify, control, report and manage compliance and business obligations, and to ensure that the interests of unitholders in the Fund are protected.

This framework includes:

- Policies and procedures,
- Committee and board reporting,
- Staff training,
- Formal service provider agreements,
- Compliance reporting by the Investment Manager, Investment Administrator and Custodian (the "Service Providers"), and



### 3 Financial risk management (continued)

- Regular reviews of Service Providers
- Monitoring of compliance in accordance with Control Self-Assessment methodology.

The investments of the Fund, and associated risks, are managed by Investment Manager, Remara Investment 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.

#### (a) Market risk

Market risk is the risk that changes in market prices, such as commodity prices will adversely affect the Fund's income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Fund is exposed to market risks influencing investment valuations.

##### i. Price risk

The Fund is exposed to commodities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where nonmonetary 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. The currency risk section below sets out how this component of price risk is managed and measured. They are classified on the Statement of Financial Position at fair value through profit or loss. All securities investments 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 Fund is a feeder vehicle which only invests in other Funds. The investment manager of underlying Funds mitigates price risk through prudent monitoring of inventory and biological asset levels. The price risk is part of interest rate risk.

##### ii. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is not exposed to foreign exchange risk as a result of investments in financial instruments.

##### iii. 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 risk is measured using sensitivity analysis. The Fund's main interest rate risk arises from its investments in debt securities.

Interest rate risk is managed by selecting physical securities with an interest rate duration equivalent to the manager's targeted duration combined with using interest rate derivatives to increase or decrease the portfolio's physical security interest rate duration so that it matches the Manager's interest rate duration target.



### 3 Financial risk management (continued)

#### (a) Market risk (continued)

	Floating interest	Fixed interest	Non-interest bearing	Total
	\$	\$	\$	\$
<b>As at 30 June 2024</b>				
<b>Financial assets</b>				
Cash and cash equivalents	255,418	-	-	255,418
Receivables	-	-	189,032	189,032
Financial assets at amortised costs	-	23,230,261	-	23,230,261
<b>Total financial assets</b>	<b>255,418</b>	<b>23,230,261</b>	<b>189,032</b>	<b>23,674,711</b>
<b>Financial liabilities</b>				
Payables	-	-	539,809	539,809
Net assets attributable to unit holders	-	-	23,134,902	23,134,902
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>23,674,711</b>	<b>23,674,711</b>

	Floating interest	Fixed interest	Non-interest bearing	Total
	\$	\$	\$	\$
<b>As at 30 June 2023 (unaudited)</b>				
<b>Financial assets</b>				
Cash and cash equivalents	157,252	-	-	157,252
Receivables	-	-	21,200	21,200
Financial assets at amortised costs	-	1,416,284	-	1,416,284
<b>Total financial assets</b>	<b>157,252</b>	<b>1,416,284</b>	<b>21,200</b>	<b>1,594,736</b>
<b>Financial liabilities</b>				
Payables	-	-	18,504	18,504
Net assets attributable to unit holders	-	-	1,576,232	1,576,232
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,594,736</b>	<b>1,594,736</b>

#### (b) Sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit 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 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.



## (c) Credit risk

The Fund is exposed to credit risk, which is the risk that counterparty will be unable to pay amounts in full when they fall due. The exposure to credit risk for cash and cash equivalents is low. The Fund is not materially exposed to credit risk on other financial assets.

## (d) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The following table analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flow.

As at 30 June 2024	Less than 1 month	1 to 6 months	6 to 12 months	Over 12 months	Total
Payables	539,809	-	-	-	539,809
Net assets attributable to unit holders	-	23,134,902	-	-	23,134,902
	<b>539,809</b>	<b>23,134,902</b>	-	-	<b>23,674,711</b>

As at 30 June 2023 (unaudited)	Less than 1 month	1 to 6 months	6 to 12 months	Over 12 months	Total
Payables	18,504	-	-	-	18,504
Net assets attributable to unit holders	-	1,576,232	-	-	1,576,232
	<b>18,504</b>	<b>1,576,232</b>	-	-	<b>1,594,736</b>

## 4 Interest income from financial assets at amortised costs

	Year ended 30 June 2024	For the period 17 August to 30 June 2023 (unaudited)
	\$	\$
Interest income received from investment	1,409,774	86,607
Interest income received from bank	19,954	539
	<b>1,429,728</b>	<b>87,146</b>



## 5 Receivables

	30 June 2024	For the period 30 June 2023 (unaudited)
	\$	\$
Interest receivable	154,373	13,710
Management reimbursement receivable	34,659	7,490
	<b>189,032</b>	<b>21,200</b>

## 6 Financial assets at amortised costs

	30 June 2024	30 June 2023 (unaudited)
	\$	\$
Insurance Premium Finance Trust - B Notes	1,750,000	300,000
Insurance Premium Finance Trust - C Notes	1,438,386	156,284
Multi-Asset Securitised Trust - C Notes	5,641,875	100,000
Multi-Asset Securitised Trust - B Notes	-	860,000
Asset Finance & Business loan Securitised Trust - Class C	10,615,000	-
Note Investment Trust	3,785,000	-
<b>Total financial assets at amortised costs</b>	<b>23,230,261</b>	<b>1,416,284</b>

### Financial instruments not carried at fair value

Cash and cash equivalent, balances due from/to brokers, receivables and payables. These are short-term financial assets and financial liabilities whose carrying values approximate fair value, because of their short-term nature.

Financial assets at amortised cost's carrying values approximate fair value.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior year.



## 7 Payables

	30 June 2024	30 June 2023 (unaudited)
	\$	\$
Distribution payables	241,144	18,504
Management costs and fees payables	76,848	-
Other payables	1,085	-
Settlement payables	220,732	-
	<b>539,809</b>	18,504

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

## 8 Units Issued

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

	30 June 2024	30 June 2024	30 June 2023 (unaudited)	30 June 2023 (unaudited)
	Units	\$	Units	\$
Opening balance	1,576,232	1,576,232	-	-
Application	21,791,550	21,791,50	1,576,232	1,576,232
Redemption	(262,420)	(262,420)	-	-
Increase in net assets attributable to unit holders	-	29,540	-	-
<b>Closing balance</b>	<b>23,105,362</b>	<b>23,134,902</b>	1,576,232	1,576,232

All units rank equally and are entitled to receive distributions declared from time to time and are entitled to a proportionate share of the residual assets upon wind up.



## 9 Distribution to unit holders

The distributions declared during the year were as follows:

Descriptions	Year ended		Year ended	
	30 June 2024	30 June 2023 (unaudited)	30 June 2024	30 June 2023 (unaudited)
	\$	\$	CPU	CPU
Distributions paid and payable	1,321,467	82,172	0.0572	0.0521
<b>Total distributions</b>	<b>1,321,467</b>	<b>83,172</b>	<b>0.0572</b>	<b>0.0521</b>

## 10 Cash and cash equivalent

### a) Cash at bank

	30 June 2024	30 June 2023 (unaudited)
	\$	\$
Cash at bank	255,418	157,252
	<b>255,418</b>	<b>157,252</b>

### 10 Cash and cash equivalents (continued)

### b) Reconciliation of Profit/(loss) to net cash inflow/(outflow) from operating activities

	30 June 2024	30 June 2023 (unaudited)
	\$	\$
Profit for the year	-	-
Distribution to unit holders	1,321,467	82,172
Decrease in net asset attributable to unit holders	29,540	
Payments for purchase of financial instrument at amortised cost	(34,131,757)	(1,416,284)
Proceed from sale of financial assets at amortised cost	12,538,511	
Change in trade and other receivables	(167,832)	(21,200)
Change in trade and other payables	76,460	-
<b>Net Cash used in operating activities</b>	<b>(20,333,611)</b>	<b>(1,355,312)</b>



## c) Non-cash financing activities

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

	30 June 2024	30 June 2023 (unaudited)
	\$	\$
	(83,573)	-
<b>Total non-cash financing activities</b>	<b>(83,573)</b>	<b>-</b>

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount for the year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

# 11 Related party transactions

The Responsible Entity of Remara Private Credit Income Fund is Melbourne Securities Corporation Limited (ABN 57 160 326 545) (AFSL 428289). Accordingly, transactions with entities related to Melbourne Securities Corporation Limited are disclosed below.

The Responsible Entity has contracted services to Remara Investment Management Pty Ltd, to act as Investment Manager for the Fund and Amal Trustees Pty Limited to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

### a) Key management personnel

Key Management personnel include persons who were Directors of Melbourne Securities Corporation Limited at any time during or since the end of the year and up to the date of this report.

## 11 Related parties (continued)

### i. Directors

- Matthew James Flether
- Shelley Brown
- Michael Fleming
- Steven O'Connell
- Ruth McClelland

### ii. Responsible entity

Other than fees paid to the Responsible entity, there were no other transactions.

### iii. Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling 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 year.

### c) Key management personnel unit holdings





Key management personnel did not hold units in the Fund as at 30 June 2024 (30 June 2023: nil).

**d) Key management personnel compensation**

Key management personnel are paid by Melbourne Securities Corporation Limited. Payments made from the Fund to Melbourne Securities Corporation 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 the key management personnel or their personally related entities at any time during the reporting year.

**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 year and there were no material contracts involving management personnel's interests existing at the year end.

**g) Responsible entity fees, investment manager's fees and other transactions**

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive Responsible Entity fee and management fees, respectively.

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:

Descriptions	30 June 2024	30 June 2023 (unaudited)
	\$	\$
Management fees for the year	53,751	11,201
Responsible Entity fees for the year	21,032	6,667
Management fees payable at year end	18,006	657
Responsible Entity fees payable at year end	14,456	2,500

**11 Related parties (continued)**

**Responsible entity fees, investment manager's fees and other transactions (continued)**

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 Melbourne Securities Corporation Limited, its related parties and other schemes managed by Melbourne Securities Corporation Limited and the Investment Manager) held no units in the Fund as at 30 June 2024.

**i) Investments**

The Fund did not hold any investments in Melbourne Securities Corporation Limited or their related parties for the year.



## 12 Auditors' remuneration

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

Descriptions	30 June 2024	30 June 2023
	\$	\$
<b>Ernst &amp; Young</b>		
Audit and other assurance services		
Audit of the financial statements	23,400	-
<b>Total auditor remuneration and other assurance services</b>	<b>23,400</b>	<b>-</b>
<b>Moore Australia</b>		
Audit and other assurance services		
Audit of compliance plan	5,000	-
Total auditor remuneration and other assurance service	5,000	-
<b>Total remuneration of Moore Australia</b>	<b>5,000</b>	<b>-</b>

## 13 Contingent assets and liabilities and commitments

There were no outstanding contingent asset, liabilities or commitments as at 30 June 2024 and 30 June 2023.

## 14 Events occurring after the reporting date

No material 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 2024 or on the results and cash flows of the Fund for the year ended on that date.




# Directors' Declaration

30 June 2024

In the opinion of the directors of the Responsible Entity:

- a) The financial statements and notes, as set out on pages 7 to 25, are 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 true and fair view of the Fund's financial position as at 30 June 2024 and its performance for the financial period 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 Standard Board.

This declaration is made in accordance with a resolution of directors of Melbourne Securities Corporation through a delegated authority given by Melbourne Securities Corporation Board.

Signed ..... 

Shelley Brown Director

Dated: 30 September 2024



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## **Independent Auditor's Report to the unit holders of Remara Private Credit Income Fund**

### **Qualified Opinion in Respect to prior year comparatives**

We have audited the financial report of Remara Private Credit Income Fund (the Fund), which comprises the statement of financial position as at 30 June 2024, 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, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, 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 2024 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 Qualified Opinion in respect to prior year comparatives**

We have been unable to obtain sufficient appropriate audit evidence to enable us to form an opinion on the corresponding figures disclosed in the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements for the year ended 30 June 2023. Accordingly, we are not in a position to and do not express an opinion on the amounts disclosed in the above mentioned statements for the year ended 30 June 2023.

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 qualified opinion.

### **Information other than the Financial Report and Auditor's Report Thereon**

The directors of the Melbourne Securities Corporation 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.

### **Other matter**

Remara Private Credit Income Fund has prepared its financial report for the year ended 30 June 2024 and this is the first year that the Fund has had an audit. The prior year comparatives (the 30 June 2023 financial report) were not subject to audit as the Fund was an unregistered fund and did not have a financial reporting requirement.

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

Ernst & Young

A handwritten signature in black ink that reads 'Luke Slater'.

Luke Slater  
Partner  
Melbourne  
30 September 2024



# remara.

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