

# MA Secured Real Estate Income Fund

ARSN 648 810 904

Annual Report for the Year Ended 30 June 2024

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# Directors' report

The Directors of MAAM RE Ltd, in its capacity as the Responsible Entity of the MA Secured Real Estate Income Fund (the "Fund") present their report together with the financial statements of the Fund, for the year ended 30 June 2024 ("year") and the auditor's report thereon.

## Principal activities

The Fund is a registered managed investment scheme that is an unlisted Australian unit trust. All references to the Fund hereafter are taken to mean the Fund as a whole, which is the MA Secured Real Estate Income Fund. The Fund was constituted on 9 March 2021 and registered with Australian Securities Investments Commission (ASIC) as a registered managed investment scheme on 1 April 2021. The Fund commenced its operations on 10 May 2021.

The Fund invests in secured first mortgage real estate loans with the objective of providing investors with positive risk-adjusted returns, as set out in the current Product Disclosure Statement, and in accordance with the provisions of the Fund's governing documents.

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 to the Fund are outlined below:

## Service providers

Responsible Entity	- MAAM RE Ltd
Investment Manager	- MA Investment Management Pty Ltd
Custodian	- Certane CT Pty Ltd
Administrator	- Alter Domus Australia Pty Ltd
Unit Registry	- Boardroom Pty Limited
Auditor	- KPMG Sydney

## Directors

The following persons held office as Directors of the Responsible Entity during the year, or since the end of the financial year and up to the date of this report:

Alice Tang  
Andrew Martin  
Giles Boddy  
Jannamaria Robertson

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

# Directors' report (continued)

## Review and results of operations

During the year, the Fund was managed in accordance with the investment objective and strategy set out in the Fund's Product Disclosure Statement and in accordance with its Constitution.

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

	FOR THE YEAR ENDED 30 JUNE 2024	FOR THE YEAR ENDED 30 JUNE 2023
Profit for the year (\$'000)	6,518	3,304
Distributions paid or payable (\$'000)	6,532	3,330
Distribution per unit (in cents)	7.8841	7.7522

## Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund that occurred during the year.

## 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 Fund's Product Disclosure Statement and in accordance with the provisions of the 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.

## Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Fund regarding insurance cover provided to either the officers of the Responsible Entity or the auditors of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund 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.

## Indemnity of auditor

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

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

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in note 9 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 9 to the financial statements.

## Interests in the Fund

The 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 on the balance sheet and derived using the basis set out in note 2 to the financial statements.

# Directors' report (continued)

## Environmental regulation

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

## Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the operations of the Fund in future financial years, or
- the results of those operations in future financial years, or
- the state of affairs of the Fund in future financial years.

## Auditors Independence declaration

The auditor's independence declaration as required under *section 307C of the Corporations Act 2001 (Cth)* is set out immediately after the Directors' Report.

## Rounding of amounts

In accordance with *Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, amounts in the Directors' report and the financial report have been rounded to the nearest thousand Australian dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors of MAAM RE Ltd as Responsible Entity of the MA Secured Real Estate Income Fund made pursuant to s.306(3) of the Corporations Act 2001 (Cth).



**Alice Tang**

Director

23 August 2024



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of MA Secured Real Estate Income Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of MA Secured Real Estate Income Fund for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Shaun Kendrigan

Partner

Sydney

23 August 2024

## Directors' declaration

In the opinion of the Directors of MAAM RE Ltd as Responsible Entity of MA Secured Real Estate Income Fund:

- a) The financial statements and notes, set out on pages 7 to 29, are in accordance with the Corporations Act 2001, including:
  - i) Give a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance as represented by the results of the operations and its cash flows, for the year ended on that date in accordance with the accounting policies described in Note 2;
  - ii) Comply with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2, and the Corporations Regulations 2001; and
- 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.

Dated in Sydney 23rd day of August 2024.

Signed in accordance with a resolution of the Directors of MAAM RE Ltd as Responsible Entity of MA Secured Real Estate Income Fund made pursuant to s.306(3) of the Corporations Act 2001 (Cth).



**Alice Tang**

Director

23 August 2024

# Statement of comprehensive income

For the year ended 30 June 2024

	NOTES	YEAR ENDED 30 JUNE 2024 (\$'000)	YEAR ENDED 30 JUNE 2023 (\$'000)
<b>Investment income</b>			
Interest income from financial assets at amortised cost		6,543	3,626
Expected credit losses on financial assets at amortised cost	6	(14)	(26)
Other income		1,006	320
Total investment income		7,535	3,920
<b>Expenses</b>			
Management fees	9	701	431
Other operating expenses		316	185
Total expenses		1,017	616
<b>Profit for the year</b>		<b>6,518</b>	<b>3,304</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>6,518</b>	<b>3,304</b>

All amounts presented are in Australian Dollars.

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

# Statement of financial position

As at 30 June 2024

	NOTES	30 JUNE 2024 (\$'000)	30 JUNE 2023 (\$'000)
<b>Current Assets</b>			
Cash and cash equivalents	4	11,072	5,631
Financial assets at amortised cost	6	72,553	42,184
Other receivables		73	70
Prepaid fees		25	13
<b>Total Current Assets</b>		<b>83,723</b>	<b>47,898</b>
<b>Non-Current Assets</b>			
Financial assets at amortised cost	6	-	4,379
<b>Total assets</b>		<b>83,723</b>	<b>52,277</b>
<b>Current liabilities</b>			
Accrued expenses and other payables		151	83
Management fees payable	9	75	47
Distribution payable	7	662	399
Unearned revenue		44	67
<b>Total current liabilities</b>		<b>932</b>	<b>596</b>
<b>Total liabilities</b>		<b>932</b>	<b>596</b>
<b>Net assets attributable to unitholders – equity</b>	8	<b>82,791</b>	<b>51,681</b>

All amounts presented are in Australian Dollars.

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

	NOTES	30 JUNE 2024 (\$'000)	30 JUNE 2023 (\$'000)
<b>Comprehensive income for the year</b>			
Profit for the year		6,518	3,304
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>6,518</b>	<b>3,304</b>
<b>Transactions with unitholders</b>			
Applications	8	45,154	28,602
Redemptions	8	(14,396)	(8,362)
Units issued upon reinvestment of distributions	8	366	95
Distributions paid and payable	7	(6,532)	(3,330)
<b>Total transactions with unitholders</b>		<b>24,592</b>	<b>17,005</b>
<b>Net change in net assets for the year</b>		<b>31,110</b>	<b>20,309</b>
<b>Total equity at the start of the financial year</b>		<b>51,681</b>	<b>31,372</b>
<b>Total equity at the end of the financial year</b>	8	<b>82,791</b>	<b>51,681</b>

All amounts presented are in Australian Dollars.

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

	NOTES	YEAR ENDED 30 JUNE 2024 (\$'000)	YEAR ENDED 30 JUNE 2023 (\$'000)
<b>Cash flows from operating activities</b>			
Other income received		1,006	378
Interest received		5,856	801
Funding of financial assets at amortised cost		(46,401)	(45,398)
Repayment of financial assets at amortised cost		21,085	27,970
Payment of fees		(673)	(412)
Payment of other expenses		(286)	(125)
<b>Net cash (outflow) from operating activities</b>	<b>5</b>	<b>(19,413)</b>	<b>(16,786)</b>
<b>Net cash inflow/ (outflow) from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		45,154	28,602
Payments for redemptions by unitholders		(14,396)	(8,362)
Distributions paid to unitholders		(5,904)	(3,003)
<b>Net cash inflow from financing activities</b>		<b>24,854</b>	<b>17,237</b>
<b>Net cash increase in cash and cash equivalents</b>		<b>5,441</b>	<b>451</b>
Cash and cash equivalents at the beginning of the year		5,631	5,180
<b>Cash and cash equivalents at the end of year</b>	<b>4</b>	<b>11,072</b>	<b>5,631</b>

All amounts presented are in Australian Dollars.

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 Corporate information

MA Secured Real Estate Income Fund (the “Fund”) (ARSN 648 810 904) is a registered managed investment scheme domiciled in Sydney, Australia. MAAM RE Ltd (the “Responsible Entity”) acts as Responsible Entity of the Fund. The Responsible Entity’s address is Level 27, Brookfield Place, 10 Carrington Street, Sydney, NSW 2000. The Investment Manager of the Fund is MA Investment Management Pty Ltd (the “Investment Manager”).

The Fund was constituted on 9 March 2021 and was registered with ASIC on 1 April 2021 and commenced operating on 10 May 2021.

The Fund is an open-ended fund whose investment strategy is to invest in a diversified portfolio providing unitholders with exposure to a range of first mortgage loans secured by Australian residential and commercial property by investing directly or indirectly via third party originated special purpose trusts.

The Fund has appointed Alter Domus Australia Pty Ltd to act as Administrator of the Fund, Certane CT Pty Ltd to act as Custodian of the Fund, and Boardroom Pty Limited to act as Unit Registry of the Fund.

The financial statements for the year ended 30 June 2024 were authorised for issue by the Responsible Entity of the Fund on 23 August 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 all years presented, unless otherwise stated in the following text.

### 2.1 Basis of Preparation

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and interpretations made by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected assets and liabilities as described in these policies.

The functional currency of the Fund is measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Australian dollars which is the entity’s functional and presentation currency and is rounded to the nearest thousand dollar.

(i) Compliance with International Financial Reporting Standards

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(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 2023 that have a material impact on the amounts recognised in prior years or will affect the current or future years.

# Notes to the financial statements

For the year ended 30 June 2024

## 2 Summary of material accounting policies (continued)

### 2.1 Basis of Preparation (continued)

- (iii) New standards, amendments and interpretations effective after 1 January 2024 and have not been early adopted

A number of new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2024 and have not been early adopted in preparing these financial statements. Most of these are not expected to have a material impact on the financial statements of the fund. However, management is still in the process of assessing the impact of the new standard AASB 18 which was issued in June 2024 and replaces AASB 101 Presentation of Financial Statements.

### 2.2 Going concern

The financial report for the year ended 30 June 2024 has been prepared on a going concern basis, which assumes continuity in the ordinary course of business for the next 12 months from the date the financial statements are signed.

### 2.3 Investment Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow and be reliably measured at the fair value of the consideration received or receivable.

Interest income from a financial assets at amortised cost is recognised when it is probable that the economic benefits will flow to the Fund and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### *Unearned revenue*

Unearned revenue from a financial assets at amortised cost is recognised over the life of the facility on a day's basis.

All revenue is stated net of the amount of Goods and Services Tax (GST).

### 2.4 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 (FVTPL); and
- those to be measured at amortised cost.

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

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

In addition, the Fund may hold derivatives such as futures, foreign currency forward contracts and warrants, which are measured at fair value through profit or loss.

##### **Financial liabilities**

For financial liabilities that are not classified at fair value through profit or loss, these are classified as financial liabilities at amortised cost (management fees payable, administration fees payable, audit fees payable and other payables).

# Notes to the financial statements

For the year ended 30 June 2024

## 2 Summary of material accounting policies (continued)

### 2.4 Financial instruments (continued)

#### (ii) Recognition and 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 the financial assets or financial liabilities from that date.

Financial assets (investments) are derecognised when the right to receive cashflows from the investments have expired or have been transferred and the Fund has transferred substantially all of the risks and rewards of ownership.

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### (iii) Measurement

##### Financial instruments

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

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

Financial assets and liabilities at fair value through other comprehensive income are measured at fair value with changes in fair value recognised through other comprehensive income. Interest and expected credit loss relating to such financial assets are recognised in profit or loss. The expected credit loss allowance is not reduced from the financial asset in the statement of financial position and accumulated within other comprehensive income. When debt financial assets at FVOCI are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI and recognised in profit or loss.

Financial assets and liabilities at amortised cost are measured by using the effective interest rate ("EIR") method. The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in Statement of comprehensive income over the relevant financial period. The EIR 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 applicable, to the net carrying amount of the financial asset or liability. When calculating the EIR, the Fund estimates cash flows considering all contractual terms of financial instrument 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 EIR, including transaction costs and all other premiums or discounts.

##### Impairment

The measurement of Expected Credit Losses ("ECL") is a function of the Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD"). The approach is to analyse the market available data to determine probability of default and historic track record performance in order to derive the loss given default. The EAD is equated using the entire facility amounts at amortised cost (including undrawn elements and accrued PIK interest).

The ECL drivers of PD, EAD and LGD are modelled which considers vintage, maturity, exogenous and other credit factors and applied across all loans and receivables at initial recognition. The result is therefore an unbiased

# Notes to the financial statements

For the year ended 30 June 2024

## 2 Summary of material accounting policies (continued)

### 2.4 Financial instruments (continued)

#### (iii) Measurement (continued)

##### Impairment (continued)

probability-weighted estimation of credit losses as determined by evaluating a range of possible outcomes and considering future economic conditions. When there is a non-linear relationship between forward-looking economic scenarios and their associated credit losses, multiple scenarios are modelled to ensure an unbiased representative sample of the complete distribution when determining the expected loss. Alongside a review of the economic climate, management have considered a variety of weightings in the assessment of the macroeconomic outlook. The weightings address the risk of non-linearity in the relationship between credit losses and economic conditions, with provisions increasing more in unfavourable conditions (particularly severe conditions) than they reduce in favourable conditions. The loan loss provision recognised is therefore the probability-weighted sum of the provisions calculated under a range of economic scenarios. The scenarios and the weightings are derived using external data together with management judgement, to determine scenarios which span an appropriately wide range of plausible economic conditions.

ECLs are recognised – on an individual or collective basis – in three stages under *AASB 9 Financial Instruments*:

- Stage 1 – When a financial asset is purchased, ECLs resulting from default events that are possible within the next 12 months are recognised (12-month ECL) and a loss allowance is established. On subsequent reporting dates, 12-month ECL also applies to existing financial asset with no significant increase in credit risk since their initial recognition. 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. Interest revenue is calculated on the financial asset's gross carrying amount (that is, without deduction for ECLs).
- Stage 2 – If a financial asset's credit risk has increased significantly since initial recognition and is not considered low, lifetime ECLs are recognised. The calculation of interest revenue is the same as for Stage 1.
- Stage 3 – If the financial asset's credit risk increases to the point where it is considered credit-impaired, interest revenue is calculated based on the gross carrying amount less the loss allowance. Lifetime ECLs continues to be recognised, as in Stage 2.

#### (iv) Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount 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.

### 2.5 Net assets attributable to unitholders

Units are redeemable at the unitholders option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholder. The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to the unitholders. The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Fund. This amount represents the expected cash flows on redemption of these units.

# Notes to the financial statements

For the year ended 30 June 2024

## 2 Summary of material accounting policies (continued)

### 2.5 Net assets attributable to unitholders (continued)

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict 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.

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 it 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.

The Fund units have been classified as equity as they satisfied all the above criteria.

### 2.6 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 from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Statement of Cash Flows has been prepared using the direct method. Payments and receipts relating to the purchase and sale of investment securities are classified as cashflows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

### 2.7 Expenses

All expenses are recognised in the Statement of comprehensive income on an accrual basis.

### 2.8. Income taxation

Under current legislation, the Fund is not subject to income tax as taxable income of the Fund is attributed to the unitholders.

The benefits of imputation credits and tax paid are generally passed on to tax resident unitholders.

Realised capital losses are not attributed to unitholders but are retained within the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the net capital gain is attributed to unitholders.

### 2.9. Distributions

In accordance with the Constitution, the Responsible Entity determines distributable income which is paid to unitholders (and may be reinvested). Distributions are recognised in the Statement of changes in equity as distributions paid and payable.

# Notes to the financial statements

For the year ended 30 June 2024

## 2 Summary of material accounting policies (continued)

### 2.10. Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Where the Fund's Units are classified as equity, movements in net assets attributable to unitholders are recognised in the Statement of changes in equity.

### 2.11. Receivables

Receivables may include amounts interest and other income. Interest is accrued at the end of each reporting period in accordance with the policy set out in note 2.3 above. Amounts are generally received within 30 days of being recorded as receivables (or the interest is capitalised to the investment the following month).

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. A significant increase in credit risk is defined by management as any contractual payment which is in default and payments are past due. Any contractual payment which is significantly past due and there are concerns around the recoverability of the loan is considered credit impaired.

The amount of the impairment loss is recognised in profit or loss 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 profit or loss.

### 2.12. Payables

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

The amount of distribution payable to unitholders as at the reporting date is recognised separately in the Statement of financial position.

### 2.13. Applications and redemptions

Applications received for units in the Fund are recorded gross of any entry fees payable post 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.

### 2.14. Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 55% or 75%; hence investment management fees, custodial fees and other expenses have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

# Notes to the financial statements

For the year ended 30 June 2024

## 2 Summary of material accounting policies (continued)

### 2.15 Rounding of amounts

In accordance with Australian Securities and Investments Commission *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, amounts in the Directors' report and the financial report have been rounded to the nearest thousand Australian dollars, unless otherwise indicated.

### 2.16 Significant accounting judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key area involving significant estimates or judgments are ECL provisioning (refer to Note 6).

## 3 Financial risk management

The Fund is exposed to a number of risks due to the nature of its activities and as further set out in its offer document. These risks include market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management program 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 risk to which the Fund is exposed and seeks to recognise potential adverse effects on the Fund's financial performance.

The management of these risks is carried out by the Investment Manager on behalf of the Fund, who manages the Fund's assets in accordance with its investment objective. This involves an ongoing process of identification, measurement, monitoring and controlling of risks. The Investment Manager is aware of the risks associated with the business of investment management.

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

### (a) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Fund maintains sufficient cash at bank to meet normal operating requirements.

The Fund is exposed to cash redemptions of its units. Investors may request to redeem part of all of their investment by providing 30 days' notice to the Manager.

In order to manage the Fund's overall liquidity, subject to the Corporations Act, 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 unitholders. The Fund did not reject or withhold any redemptions during the years ended 30 June 2024 and 30 June 2023.

Compliance with the Fund's liquidity risk policy is reported to the Board on a quarterly basis.

### Maturity analysis for financial liabilities

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining year at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

# Notes to the financial statements

For the year ended 30 June 2024

## 3 Financial risk management (continued)

### (a) Liquidity risk (continued)

#### Maturity analysis for financial liabilities (continued)

	< 1 MONTH (\$'000)	< 1 YEAR (\$'000)	1 – 2 YEARS (\$'000)	> 2 YEARS (\$'000)	TOTAL (\$'000)
<b>30 JUNE 2024 (\$'000)</b>					
Accrued expenses and other payables	151	-	-	-	151
Management fees payable	75	-	-	-	75
Distribution payable	662	-	-	-	662
Unearned revenue	44	-	-	-	44
Contractual cash flows	932	-	-	-	932
<b>30 JUNE 2023 (\$'000)</b>					
Accrued expenses and other payables	83	-	-	-	83
Management fees payable	47	-	-	-	47
Distribution payable	399	-	-	-	399
Unearned revenue	67	-	-	-	67
Contractual cash flows	596	-	-	-	596

# Notes to the financial statements

For the year ended 30 June 2024

## 3 Financial risk management (continued)

### (b) Market risk

Market risk comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). The Fund manages this risk via outsourcing its investment management; the Investment Manager manages the financial risks relating to the operations of the Fund in accordance with an investment objective set out in accordance with the Constitution and Product Disclosure Statement. There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk. The Fund has no exposure to foreign exchange (currency risk).

#### i) Market price risk

Market price risk is the risk that the fair value of investment decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual assets or factors affecting all instruments in the market.

The majority of the Fund's directly held financial assets are interest bearing securities. These have exposure primarily to interest rate movement and credit risk.

The Fund monitors its market price risk exposure to ensure concentrations of risk remain within acceptable levels.

#### ii) Foreign currency risk

Foreign currency risk includes the risk that the future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates.

The Fund's individual investors may hold assets denominated in currencies other than the Australian dollar, the functional currency. They are therefore exposed to foreign exchange risk, as the value of the future cash flows of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Fund does not hold any monetary assets and liabilities denominated in foreign currencies.

#### iii) Interest rate risk

Interest rate risk is the risk of changes in the value of the Fund's financial instruments from changes in market interest rates. The Fund is not subject to significant amounts of interest rate risk due to fluctuations in the prevailing levels of market interest rates.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows of financial instruments

# Notes to the financial statements

For the year ended 30 June 2024

## 3 Financial risk management (continued)

### (b) Market risk (continued)

#### iii) Interest rate risk (continued)

The table below summarises the Fund's exposure to interest rate risk.

30 JUNE 2024 (\$'000)	FLOATING INTEREST RATE	FIXED INTEREST RATE	NON-INTEREST BEARING	TOTAL
<b>Assets</b>				
Cash and cash equivalents	11,072	-	-	11,072
Financial assets at amortised cost	72,619	-	-	72,619
Prepaid fees	-	-	25	25
Other receivables	-	-	73	73
<b>Total assets</b>	<b>83,691</b>	<b>-</b>	<b>98</b>	<b>83,789</b>
<b>Liabilities</b>				
Accrued expenses and other payables	-	-	151	151
Management fees payable	-	-	75	75
Distribution payable	-	-	662	662
Unearned revenue	-	-	44	44
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>932</b>	<b>932</b>
<b>Net Exposure</b>	<b>83,691</b>	<b>-</b>	<b>(834)</b>	<b>82,857</b>

# Notes to the financial statements

For the year ended 30 June 2024

## 3 Financial risk management (continued)

### (b) Market risk (continued)

#### iii) Interest rate risk (continued)

30 JUNE 2023 (\$'000)	FLOATING INTEREST RATE	FIXED INTEREST RATE	NON-INTEREST BEARING	TOTAL
<b>Assets</b>				
Cash and cash equivalents	5,631	-	-	5,631
Financial assets at amortised cost	46,615	-	-	46,615
Prepaid fees	-	-	13	13
Other receivables	-	-	70	70
<b>Total assets</b>	<b>52,246</b>	<b>-</b>	<b>83</b>	<b>52,329</b>
<b>Liabilities</b>				
Accrued expenses and other payables	-	-	83	83
Management fees payable	-	-	47	47
Distribution payable	-	-	399	399
Unearned revenue	-	-	67	67
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>596</b>	<b>596</b>
<b>Net Exposure</b>	<b>52,246</b>	<b>-</b>	<b>(513)</b>	<b>51,733</b>

The table below summarises the Fund's sensitivity to interest rate risk. 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 level of changes in interest rates. However, actuals 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 correction between the performances of the economies, markets and underlying investments. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	30 JUNE 2024 (\$'000)	30 JUNE 2023 (\$'000)
+/- 100bps	+/- 836	+/- 522

# Notes to the financial statements

For the year ended 30 June 2024

## 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 amounts in full when they fall due, causing a financial loss to the Fund.

The Investment Manager intends that each new investment opportunity will be subject to the Investment Manager's established and rigorous evaluation and approval process, which is focused on in-depth credit analysis with key emphasis on capital preservation. Once a potential investment opportunity is identified, the Investment Manager follows a defined screening, due diligence, and approval process.

The investment team will undertake a detailed review of the issuer and the sector within which it operates and present a detailed investment proposal to the Portfolio Manager. Alongside this proposal, the investment team will perform multiple downside scenario analyses. The investment team will be challenged by the Portfolio Manager and, if required, further research will be undertaken. The outcome of the process is a decision on the approved holding limits of an investment if the transaction is approved.

Comprehensive due diligence will be undertaken as part of each new transaction. The scope of the due diligence undertaken will include all areas of potential risk in the transaction.

Once a deal is completed there is regular and active post-investment monitoring which is designed to identify risks within the portfolio. The Investment Manager will be responsible for the execution and monitoring of the investment, all the way through to exit. Monitoring of investments is a continuous process, and the key components of the Investment Manager's post investment risk management are as follows:

- Regular interaction with management teams of investee companies and other market participants (e.g. advisers, debt brokers);
- Monthly or quarterly review of individual investment performance; and
- Each quarter, the Investment Committee reviews the portfolio. The review includes an assessment of credit risk, valuations, future realisations and repayment dates

The Investment Manager believes that close monitoring of the investee companies and regular reviews are essential to ensure effective monitoring of its investments. It also helps to provide an early indication of changes in the performance and credit risk of an investee company. The Investment Manager's executives and senior management continuously share information about market conditions and industry wide issues to enhance risk management and improve monitoring across the business.

The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivables. The maximum exposure to credit risk before any credit enhancements at the end of each reporting year is the carrying amount of the financial assets.

## 4 Cash and cash equivalents

	30 JUNE 2024 (\$'000)	30 JUNE 2023 (\$'000)
Cash at bank	11,072	5,631
<b>Total</b>	<b>11,072</b>	<b>5,631</b>

# Notes to the financial statements

For the year ended 30 June 2024

## 5 Reconciliation of profit for the year to net cash flows from operating activities

### (a) Reconciliation of profit for the year to net cash flows from operating activities

	30 JUNE 2024 (\$'000)	30 JUNE 2023 (\$'000)
Profit for the year	6,518	3,304
Less: non-cash items included in profit for the year	(327)	(2,634)
Funding of financial assets at amortised cost	(46,747)	(45,563)
Repayment of financial assets at amortised cost	21,085	27,970
Net change in receivables and other assets	(15)	37
Net change in payables and other liabilities	73	100
Net cash (outflow) from operating activities	(19,413)	(16,786)

### (b) Non-cash financing activities

	30 JUNE 2024 (\$'000)	30 JUNE 2023 (\$'000)
Distribution payments satisfied by the issue of units under the distribution reinvestment plan	366	95
<b>Total</b>	<b>366</b>	<b>95</b>

# Notes to the financial statements

For the year ended 30 June 2024

## 6 Financial assets at amortised cost

The following table presents the Fund's financial assets held at amortised cost as at 30 June 2024 and 30 June 2023.

	AS AT 30 JUNE 2024		
	GROSS EXPOSURE (\$'000)	ECL PROVISION (\$'000)	NET EXPOSURE (\$'000)
Financial assets at amortised cost – current	72,619	(66)	72,553
Financial assets at amortised cost – non-current	-	-	-
Total financial assets at amortised cost	72,619	(66)	72,553

	AS AT 30 JUNE 2023		
	GROSS EXPOSURE (\$'000)	ECL PROVISION (\$'000)	NET EXPOSURE (\$'000)
Financial assets at amortised cost – current	42,233	(49)	42,184
Financial assets at amortised cost – non-current	4,382	(3)	4,379
Total financial assets at amortised cost	46,615	(52)	46,563

Judgement is required with respect to the Solely Payment of Principal and Interest (“SPPI”) test and the business model test in determining the classification of financial assets. The Responsible Entity has determined that classification as amortised cost is appropriate as the SPPI test is met and the business model is ‘hold-to-collect’.

# Notes to the financial statements

For the year ended 30 June 2024

## 6 Financial assets at amortised cost (continued)

### Expected credit losses on financial assets

Under AASB 9, the expected credit losses are measured as described in note 2.4.

The Fund performed a detailed review of its investments held at amortised cost, focusing on each individual investment position along with the industry and macroeconomic environment in which the investments operate.

As detailed at note 2, the Fund's measurement of ECL reflected an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The Fund has also considered reasonable and supportable information from past events, current conditions and reasonable and supportable forecasts for future economic conditions when measuring ECL.

The table below summarises the Fund's allowance for expected credit losses on financial assets at amortised cost:

	AS AT 30 JUNE 2024 (\$'000)	AS AT 30 JUNE 2023 (\$'000)
Expected credit losses on financial assets at amortised cost	66	52
Expected credit losses on financial assets at amortised cost	66	52

The following table shows a reconciliation of the opening to the closing balance of the loss allowance based on the expected credit losses.

	AS AT 30 JUNE 2024 (\$'000)		
	STAGE 1 (12-MONTH ECL)	STAGE 2 (LIFETIME ECL NOT CREDIT IMPAIRED)	STAGE 3 (LIFETIME ECL CREDIT IMPAIRED)
Loss allowance – balance as at 30 June 2023	52	-	-
Loss allowance – recognised during the year	14	-	-
Loss allowance – balance as at 30 June 2024	66	-	-
	AS AT 30 JUNE 2023 (\$'000)		
	STAGE 1 (12-MONTH ECL)	STAGE 2 (LIFETIME ECL NOT CREDIT IMPAIRED)	STAGE 3 (LIFETIME ECL CREDIT IMPAIRED)
Loss allowance – balance as at 30 June 2022	26	-	-
Loss allowance – recognised during the year	26	-	-
Loss allowance – balance as at 30 June 2023	52	-	-

# Notes to the financial statements

For the year ended 30 June 2024

## 7 Distributions to unitholders

	30 JUNE 2024 (\$'000)	30 JUNE 2023 (\$'000)
Distributions paid*	5,870	2,931
Distribution payable	662	399
<b>Total</b>	<b>6,532</b>	<b>3,330</b>

\* Some distributions were satisfied by the issue of units (reinvestment). See note 8.

## 8 Net assets attributable to unitholders

Applications to invest in the Fund are made by way of the Subscription Agreement provided by the Investment Manager. To invest in the Fund, completed Subscription Agreements and associated documents (such as proof of identity documents) must be received by the Responsible Entity and/or the transfer agent. Applications may be refused in full or in part by the Responsible Entity in its absolute discretion.

Units issued will be issued at the Unit Price as determined in accordance with the Responsible Entity's Unit Pricing Policy (rounded to the nearest four decimal places) and adjusted for any transaction costs. The number of units ultimately issued to a unitholder is determined by dividing the amount a unitholder agrees to invest by the relevant issue price (rounded to the nearest four decimal places).

Where the Fund is not liquid, withdrawals from the Fund may only be affected pursuant to a regulated withdrawal offer issued by Responsible Entity in accordance with the Corporations Act. Under normal market conditions, the Responsible Entity expects that the Fund will be liquid.

The movements in number of units and net assets attributable to unitholders during the financial year end were as follows:

	30 JUNE 2024 AUD (\$'000)	30 JUNE 2024 UNITS ('000)	30 JUNE 2023 AUD (\$'000)	30 JUNE 2023 UNITS ('000)
<b>Opening balance</b>	<b>51,681</b>	<b>51,733</b>	31,372	31,398
Applications	45,154	45,154	28,602	28,602
Redemptions	(14,396)	(14,396)	(8,362)	(8,362)
Distributions reinvested	366	366	95	95
Decrease in net assets attributable to unitholders	(14)	-	(26)	-
<b>Closing balance</b>	<b>82,791</b>	<b>82,857</b>	51,681	51,733

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

# Notes to the financial statements

For the year ended 30 June 2024

## 8 Net assets attributable to unitholders (continued)

### Capital risk management

The Fund considers its net assets attributable to unitholders as capital. Net assets attributable to unitholders are representative of the expected cash outflows on redemption. Monthly applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a periodic basis by the Responsible Entity. Under the terms of the Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

## 9 Related party disclosures

### (a) Responsible Entity

As disclosed in Note 1 of this financial report, the Responsible Entity of the Fund is MAAM RE Ltd and it is managed by MA Investment Management Pty Ltd ("MAIM" or the "Manager"). The ultimate holding company of the Responsible Entity and the Manager is MA Financial Group Limited. All entities are incorporated in Australia.

### (b) Key management personnel

Key management personnel of the Fund include the Directors of the Responsible Entity, and members on the Investment Committee.

The key management personnel of the Responsible Entity held units in the Fund as follows:

	30 JUNE 2024 (\$)	30 JUNE 2023 (\$)	30 JUNE 2024 UNITS	30 JUNE 2023 UNITS
Christopher Wyke	-	60,000	-	60,000
Cathy Houston	52,479	-	52,479	-

No other members of the Investment Committee, nor the Board of the Responsible Entity hold investments in the Fund except for the above.

### (c) Transactions with key management personnel

Key management personnel services are provided by the Responsible Entity and included in the management fees disclosed in note (d) below. There is no separate charge for these services. There was no compensation paid directly by the Fund to any of the key management personnel.

No key management personnel have entered into any transactions with the Fund during the year and there were no material balances involving key management personnel's interests outstanding at year end.

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 year.

# Notes to the financial statements

For the year ended 30 June 2024

## 9 Related party disclosures (continued)

### (d) Investment manager's fees and other transactions

As disclosed in Note 1 of this financial report, the Fund is managed by MA Investment Management Pty Ltd and the responsible entity is MAAM RE Ltd.

Transactions between related parties are disclosed as per below.

- (i) Investment Management fees paid of \$626,174 for the year ending 30 June 2024 (30 June 2023: \$384,526)
- (ii) Investment Management fees payable of \$74,708 as at 30 June 2024 (30 June 2023: \$46,773)

A portion of the professional fees relating to the audit, administration, custody and unit registry services provided to the Fund during the year were borne by the Responsible Entity.

### (e) Related party unitholding

The only related party to the Fund as defined by AASB 124 *Related Party Disclosures* is the Responsible Entity which has no unit holdings in the Fund. MA Credit Investments Pty Ltd, a wholly owned subsidiary of MA Financial Group, held units in the Fund as follows:

	NO. OF UNITS HELD OPENING ('000)	NO. OF UNITS HELD CLOSING ('000)	FAIR VALUE OF INVESTMENT (\$'000)	INTEREST HELD (%)	NO. OF UNITS ACQUIRED ('000)	NO. OF UNITS DISPOSED ('000)	DISTRIBUTIONS PAID/ PAYABLE BY THE FUND (\$'000)
<b>30 JUNE 2024</b>							
MA Credit Investments Pty Ltd	6,600	-	-	0%	-	(6,600)	169
<b>Total</b>	<b>6,600</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>(6,600)</b>	<b>169</b>
<b>30 JUNE 2023</b>							
MA Credit Investments Pty Ltd	11,600	6,600	6,600	12.76%	-	(5,000)	789
<b>Total</b>	<b>11,600</b>	<b>6,600</b>	<b>6,600</b>	<b>12.76%</b>	<b>-</b>	<b>(5,000)</b>	<b>789</b>

### (f) Investments

Transactions with related parties have taken place at arm's length and in the ordinary course of business. This includes the purchase of investments in loans from other funds managed by the Manager, which were purchased at par value. This is consistent with the method of portfolio construction described in the Product Disclosure Statement.

# Notes to the financial statements

For the year ended 30 June 2024

## 10 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities, or commitments as of 30 June 2024 (30 June 2023: Nil)

## 11 Remuneration of auditor

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

	30 JUNE 2024	30 JUNE 2023
	\$	\$
<hr/>		
<b>KPMG</b>		
Audit of the Financial Statements/review of financial report	27,500	27,500
Audit of the Compliance Plan	10,000	10,000
<b>Total</b>	<hr/> 37,500	37,500
<hr/>		

## 12. Approval of financial statements

The Financial Statements of the Fund for the year ended 30 June 2024 were approved and authorised for issue by the Responsible Entity effective on 23 August 2024.

## 13. Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations or the state of affairs of the entity in subsequent financial periods.



# Independent Auditor's Report

To the unitholders of MA Secured Real Estate Income Fund

## Opinion

We have audited the **Financial Report** of the MA Secured Real Estate Income Fund (the Scheme).

In our opinion, the accompanying **Financial Report** of the MA Secured Real Estate Income Fund gives a true and fair view, including of the Scheme's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises the:

- Statement of financial position as at 30 June 2024
- Statement of profit or loss, Statement of comprehensive income for the year then ended, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes, including material accounting policies
- Directors' Declaration.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Scheme in accordance with the *Corporations Act 2001* and the relevant ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Scheme, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

## Other Information

Other Information is financial and non-financial information in the MA Secured Real Estate Income Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of MAAM RE Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does 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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of Directors for the Financial Report

The Directors of MAAM RE Ltd (the Responsible Entity) are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and that is free from material misstatement, whether due to fraud or error
- assessing the Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our Auditor's Report.



KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Shaun Kendrigan', written in a cursive style.

Shaun Kendrigan

Partner

Sydney

23 August 2024

