

Aura Core Income Fund

ARSN 658 462 652

Report for the financial period from 4 October 2022 to 30 June 2023

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Directors' Report

The directors of One Managed Investment Funds Limited (ACN 117 400 987; AFSL 297 042) (the "Responsible Entity"), the Responsible Entity of Aura Core Income Fund (ARSN 658 462 652) (the "Fund"), submit their report together with the financial statements for the Fund for the period from 4 October 2022 to 30 June 2023.

Information about the Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity, in office during the financial period from 4 October 2022 to 30 June 2023 and up to the date of this report are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney 2000.

Principal activities

The Fund is a registered managed investment scheme, domiciled in Australia. The Fund was constituted on 31 March 2022 and registered as a managed investment scheme on 11 April 2022. Operations were commenced on 4 October 2022. The financial statements cover the financial period from 4 October 2022 to 30 June 2023.

The principal activity of the Fund during the financial period was to invest in accordance with the provisions of the Fund's Constitution and its Product Disclosure Statement ("PDS"), dated 1 August 2022.

The Fund's primary objective is to focus on preservation of capital as a first order of concern, followed by the provision of stable monthly cash income, and portfolio diversification by providing exposure to a portfolio of private debt assets.

The Fund did not have any employees during the reporting period.

Review of operations

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of the financial statements. The net profit attributable to unitholders for the financial period from 4 October 2022 to 30 June 2023 was \$380,973.

Distributions

In respect of the financial period from 4 October 2022 to 30 June 2023, distributions totalling \$380,973 were declared to be paid to unitholders of which \$145,301 was payable as at 30 June 2023.

Value of Assets and Units Issued

The total value of the Fund's assets at 30 June 2023 was \$26,220,138. The total number of units on issue as at 30 June 2023 was 26,023,507.

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the financial period and as at 30 June 2023.

Directors' Report (continued)

Significant changes in state of affairs

During the financial period there were no significant changes in the state of affairs of the Fund.

Subsequent Events

There has been no matter or circumstances occurring subsequent to the end of the financial period 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 Fund in future financial periods.

Likely Developments and Expected Results of Operations

The Fund will be managed in accordance with the Constitution and investment objectives as detailed in its PDS dated 1 August 2022.

Environmental Regulation and Performance

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Indemnification of Directors, Officers and Auditors

During or since the financial period, the Fund has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Fund or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Fund . In addition, the Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Fund.

Auditors independence declaration

The Fund has elected Crowe Sydney to be the financial report auditor. A copy of the Auditors independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

The report is made in accordance with a resolution of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle
Director

14 September 2023

14 September 2023

The Directors
One Managed Investment Funds Limited
as the Responsible Entity of Aura Core Income Fund
Level 16, Governor Macquarie Tower,
1 Farrer Place
Sydney NSW 2000

Dear Directors

Aura Core Income Fund

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of One Managed Investment Funds Limited Aura Core Income Fund.

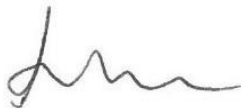
As lead audit partner for the audit of the financial report of Aura Core Income Fund for the financial year period 4 October 2022 to 30 June 2023, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Crowe Sydney



Alison Swansborough
Partner

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Directors' Declaration

In the opinion of the directors of One Managed Investment Funds Limited, the Responsible Entity of Aura Core Income Fund (the "Fund"):

- (a) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3(a) to the financial statements; and
- (c) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to Section 295(5) of the *Corporations Act 2001*.



Frank Tearle
Director

14 September 2023

Statement of Profit or Loss and Other Comprehensive Income for the period from 4 October 2022 to 30 June 2023

	Note	4 October 2022 to 30 June 2023 \$
Revenue		
Interest income	5	411,312
Distribution income		8,926
Other income	12(b)	<u>133,302</u>
Total revenue		<u>553,540</u>
Expenses		
Management fees	12(b)	31,358
Formation and establishment fees		4,052
Other expenses		136,882
Net loss on financial assets held at fair value through profit or loss		<u>275</u>
Total expenses		<u>172,567</u>
Profit for the financial period	10	<u>380,973</u>
Other comprehensive income for the financial period		-
Total comprehensive income for the financial period		<u>380,973</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2023

	Note	30 June 2023 \$
Assets		
Cash and cash equivalents	6(a)	2,897,718
Interest receivable		152,612
Distribution receivable		1,180
GST receivable		2,227
Other receivables	12(b)	23,676
Financial assets	7	<u>23,142,725</u>
Total assets		<u>26,220,138</u>
Liabilities		
Distributions payable		145,301
Trade and other payables	9	<u>51,330</u>
Total liabilities		<u>196,631</u>
Net assets attributable to unitholders - equity	10	<u>26,023,507</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the period from 4 October 2022 to 30 June 2023

	Note	4 October 2022 to 30 June 2023 \$
Comprehensive income for the financial period		
Profit for the financial period		380,973
Other comprehensive income		-
Total comprehensive income for the financial period		<u>380,973</u>
Transactions with unitholders		
Applications for units by unitholders	10	25,992,018
Units issued upon reinvestment of distribution	10	106,489
Redemptions of units by unitholders	10	(75,000)
Distributions paid and payable	10	<u>(380,973)</u>
Total transactions with unitholders		<u>25,642,534</u>
Total equity at the end of the financial period	10	<u>26,023,507</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the period from 4 October 2022 to 30 June 2023

	Note	4 October 2022 to 30 June 2023 \$
Cash flows from operating activities		
Interest received		258,700
Distributions received		7,746
Other income received		109,626
Payments to suppliers		(123,189)
Net payment for financial assets		<u>(23,143,000)</u>
Net cash used in operating activities	6(b)	<u>(22,890,117)</u>
Cash flows from financing activities		
Proceeds from issue of units		25,992,018
Payment for redemptions by unitholders		(75,000)
Distributions paid to unitholders		<u>(129,183)</u>
Net cash provided by financing activities		<u>25,787,835</u>
Net increase in cash and cash equivalents		<u>2,897,718</u>
Cash and cash equivalents at the end of the financial period	6(a)	<u>2,897,718</u>
Non-cash financing activities	6(c)	<u>106,489</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. General information

These financial statements cover Aura Core Income Fund (the “Fund”) as an individual entity. The Fund is an Australian registered managed investment scheme. The Fund was constituted on 31 March 2022 and registered as a managed investment scheme on 11 April 2022. Operations were commenced on 4 October 2022. The financial statements cover the financial period from 4 October 2022 to 30 June 2023.

The Responsible Entity of the Fund is One Managed Investment Funds Limited (ACN 117 400 987; AFSL 297 042) (the “Responsible Entity”). The Responsible Entity’s registered office is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, 2000.

The principal activity of the Fund during the financial period from 4 October 2022 to 30 June 2023 was to invest in accordance with the provisions of the Fund’s Constitution and its Product Disclosure Statement (“PDS”) dated 1 August 2022.

The investment manager for the Fund is Aura Credit Holdings Pty Ltd (ACN 656 261 200) (the “Investment Manager”). The Investment Manager has entered into a Distribution Partner Agreement with Montgomery Investment Management Pty Ltd (ACN 139 161 701) to distribute the Fund to its client base. Montgomery Investment Management Pty Ltd may receive a share of the fees paid to the Investment Manager as well as potential equity in the Investment Manager once funds under management hurdles are met.

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

2. Adoption of new and revised accounting standards

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are relevant to its operations and are effective for the current financial reporting period from 4 October 2022 to 30 June 2023.

Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

3. Significant accounting policies

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board, the Fund’s Constitution and the *Corporations Act 2001* in Australia.

Compliance with Australian Accounting Standards, as issued by the AASB, ensures that the financial statements and notes thereto comply with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements, as issued by the IASB. These policies have been consistently applied unless otherwise stated.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(b) Basis of preparation

This general purpose financial report has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. The Fund is a for-profit entity for the purpose of preparing the financial statements covering the period from 4 October 2022 to 30 June 2023.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets.

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 readily determined as at balance date.

All amounts are presented in Australian dollars as the functional and presentational currency of the Fund.

(c) Going concern basis

This financial report has been prepared on a going concern basis.

(d) Revenue and income recognition

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Changes in fair value of financial assets and liabilities are recognised in profit or loss in the year in which the changes occur.

Interest Income

Interest income is recognised as the interest accrues using the effective interest rate method, which is the rate that exactly discounts future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Distributions

Distributions from investments are recognised when the right to receive the payment is established.

(e) Expenses

All expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

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

Notes to the Financial Statements

3. Significant accounting policies (continued)

(g) Financial instruments

Investments in financial instruments

Investments in financial instruments as defined by AASB 132 'Financial Instruments: Presentation' are categorised in accordance with AASB 9 'Financial Instruments'. This classification is determined by the purpose underpinning the acquisition of the investment.

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are initially recognised using trade date accounting i.e. when the Fund becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value plus, in the case of financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

• *Financial assets at amortised cost*

Loan investments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Fund does not intend to sell immediately or in the near term. They comprise financial assets at amortised cost in the Statement of Financial Position.

The Fund is invested in a diversified portfolio of debt securities that provides exposure to asset backed SME loans, director guaranteed SME loans, and senior loans to Alternative Finance lenders secured against a loan portfolio.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or (where appropriate) a shorter period. Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Impairment

The Fund recognises a loss allowance on financial assets that are measured at amortised cost. A loss is recorded for each debt instrument if the value of underlying loans in default exceeds the value of credit protection for the debt instrument held by the Fund at the reporting date. The loss recorded is the amount by which the defaulted loans exceed the credit protection.

The financial assets held at amortised cost are subject to impairment testing. At the end of each reporting period, the Fund assesses the expected credit loss attributable to the financial assets and determines whether additional impairment is required.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(g) Financial instruments (continued)

• Financial assets measured at fair value through profit or loss (FVPL)

Certain financial assets are measured at fair value through profit or loss. This includes the Fund's investments through units in other funds.

Subsequent changes in the fair value of those financial assets are recorded in net gain or loss on financial assets measured at FVPL in the statement of profit or loss and other comprehensive income. Interest and distributions earned on these instruments are recorded separately in interest income or distribution income in the statement of profit or loss and other comprehensive income.

Fair value measurement

The Fund measures its investments in units of trusts at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

Investments in unit trusts held at fair value are measured at the net asset value per unit as reported by the manager/trustee of the unit trust.

For assets and liabilities that are measured at fair value on a recurring basis, the Fund identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) and deems transfers to have occurred at the beginning of each reporting period.

Notes to the Financial Statements

3. Significant accounting policies (continued)

(g) Financial instruments (continued)

Derecognition

A financial asset is derecognised where:

- the rights to receive cash flows from the asset have expired, or
- the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flow in full without material delay to a third party under a pass-through arrangement, and
- either (a) the Fund has transferred substantially all risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the rewards of the asset, but has transferred control of the asset.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Derivative financial instruments

During the financial period, the Fund did not hold any derivative financial instruments to hedge its interest rate risk exposures.

(h) Taxation

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

(i) Distributions

Distributions are payable as set out in the Fund's PDS dated 1 August 2022. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Fund.

Upon adopting the AMIT regime, the Responsible Entity is no longer contractually obligated to pay distributions. The Responsible Entity will attribute the Fund's income to unitholders on a fair and reasonable basis. However, the Responsible Entity will not have a requirement under the Fund Constitution to distribute Trust income to unitholders. Any subsequent distribution will be recognised in the Statement of Changes in Equity.

(j) Receivables

Receivables may include amounts for interest, trust distributions and securities where settlement has not occurred. Trust distributions are accrued when the right to receive payment is established. Interest is accrued in accordance with the method set out in note 3(d) above. Amounts are generally received within 30 days of being recorded as receivables.

3. Significant accounting policies (continued)

(j) Receivables (continued)

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. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The amount of the impairment loss is recognised in 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 .

(k) Payables

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

(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) Critical accounting judgements and key sources of estimation uncertainty

Management has adhered to the Fund's unit pricing policy which sets out the basis upon which the units of the Fund have been valued, a copy of which is available upon request.

In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the financial period of the revision and future years if the revision affects both current and future years. The assumptions and methods used in the determination of the value of investments are outlined in notes 3(b) and 3(g) of these financial statements.

(n) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the amount of GST is not recoverable from the taxation authority, it is recognised as part of acquisition of an asset or part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

Notes to the Financial Statements**3. Significant accounting policies (continued)****(n) Goods and services tax ("GST") (continued)**

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, management fees, administration fees and legal fees were subject to Reduced Input Tax Credits ("RITCs") in accordance with legislation.

The following RITC rates were applied by the Fund during the reporting period from 4 October 2022 to 30 June 2023.

Services Supplied	RITC Rate
Responsible entity, audit, registry & legal fees	55%
Investment management, custody & administration fees	75%

(o) Net assets attributable to unitholders

Units are classified as equity when 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 unfavorable 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.

4. Financial risk management objectives and policies

The Fund's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's PDS. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

Risks arising from investing in financial instruments are inherent in the Fund's activities and cannot be completely mitigated by the Responsible Entity and the Fund's appointed service providers. The Fund is exposed to a number of risks that could affect the performance of the Fund, the level of income distributions and the repayment of capital. The management of these risks is carried out by the Investment Manager under policies approved by the directors of the Responsible Entity. The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

4. Financial risk management objectives and policies (continued)

(a) Credit risk

The Fund is exposed to credit risk, which relates to the risk of originators defaulting on their financial obligations. The value of assets within the Fund can change due to changes in the credit quality of the originator and from changes in the value of similar securities. The value of the assets can also be impacted adversely by the underlying borrower not repaying their loans, which may be caused by a downturn in the economy. If this happens, the investors may lose the value of their investment or there may be an impact on distribution levels.

Credit risk is managed and monitored on an ongoing basis by the Investment Manager via:

- Undergoing extensive due diligence on new prospective lenders on their credit approval and underwriting processes to ensure they meet our standards and offer the Fund further diversity through their target lending market;
- The Investment Manager will actively manage the assets it invests in. By continuing to review the non-bank lenders after an investment is made the Investment Manager will try to assist the lenders in the lending decisions they make in order to minimise bad credit decisions; and
- Diversifying the counterparties that the Fund lends money to or invests in.

The Fund is also exposed to counterparty credit risk on cash and cash equivalents.

There were no significant concentrations of credit risk to counterparties at 30 June 2023.

(b) Market risk

The investment return on a particular asset is typically correlated to the return on other assets from the same market, asset class or geographic location. Market risk is impacted by broad factors such as political changes, investor sentiment, legislation, taxation law, and economic environment, technology and significant external events (e.g., natural disasters). Industry specific shocks relevant to underlying loan assets and general market disruption can adversely impact the value of the Fund's assets.

The state of the market is actively monitored by the Investment Manager to understand what possible changes in investment strategy are required to minimise its effect on the Fund.

(c) Interest rate risk

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

The Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on other cash and cash like investments. Therefore, the sensitivity analysis below may not fully indicate the total effect on the Fund's net assets attributable to unitholders of future movements in interest rates.

Notes to the Financial Statements

4. Financial risk management objectives and policies (continued)

(c) Interest rate risk (continued)

The table below summarise the Fund's exposure to interest rate risk:

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	\$	\$	\$	\$
30 June 2023				
Assets				
Cash and cash equivalents	2,897,718	-	-	2,897,718
Interest receivable	-	-	152,612	152,612
Distribution receivable	-	-	1,180	1,180
GST receivable	-	-	2,227	2,227
Financial assets held at amortised cost	1,000,000	21,750,000	-	22,750,000
Financial assets held at fair value through profit or loss	-	-	392,725	392,725
Investment Manager contributions receivable	-	-	23,676	23,676
Total assets	3,897,718	21,750,000	572,420	26,220,138
Liabilities				
Distributions payable	-	-	145,301	145,301
Trade and other payables	-	-	51,330	51,330
Total liabilities	-	-	196,631	196,631
Net exposure	3,897,718	21,750,000	375,789	26,023,507

Notes to the Financial Statements

4. Financial risk management objectives and policies (continued)

(c) Interest rate risk (continued)

The following table demonstrates the sensitivity of the Fund's net assets attributable to unitholders and operating profit to a reasonable change in interest rates, with all other variables constant. The 100 basis point sensitivity is based on a reasonable volatility of change in the AUD cash interest rate over the coming year. However, actual movements in the risk variables may be greater or less than anticipated. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Interest rate risk	
	Impact on operating profit/Net assets attributable to unitholders	
	+100bps	-100bps
	\$	\$
30 June 2023	38,977	(38,977)

(d) Liquidity risk

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

The Investment Manager monitors the Fund's exposure to liquidity risk by ensuring that as required there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period from 30 June 2023 to the contractual maturity date. However, the directors of the Responsible Entity do not envisage that information to be disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

	3 months or less	4 to 12 months	1 to 5 years	over 5 years	Total
	\$	\$	\$	\$	\$
30 June 2023					
Distributions payable	145,301	-	-	-	145,301
Payables	51,330	-	-	-	51,330
Contractual cash flows	196,631	-	-	-	196,631

The amounts in the table are the contractual undiscounted cash flows. Balances equal their carrying balances, as the impact of discounting is not significant.

Notes to the Financial Statements

5. Interest income

The following table provides information about the interest income generated from different sources during the financial period from 4 October 2022 to 30 June 2023.

	4 October 2022 to 30 June 2023 \$
Interest from banks	12,294
Interest from financial assets held at amortised cost	<u>399,018</u>
Total for the financial period	<u>411,312</u>

6. Cash and cash equivalents

(a) Cash and cash equivalents include cash at banks. Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	30 June 2023 \$
Cash at bank	<u>2,897,718</u>
Balance end of financial period	<u>2,897,718</u>

(b) Reconciliation of profit for the financial period to net cash flows used in operating activities:

	4 October 2022 to 30 June 2023 \$
Profit for the financial period	<u>380,973</u>
Change in assets and liabilities:	
Net changes in current assets	(179,695)
Net changes in financial assets	(23,142,725)
Net changes in trade and other payables	<u>51,330</u>
Net cash used in operating activities	<u>(22,890,117)</u>

(c) During the financial period, there have been units issued amounting to \$106,489 through reinvestments of distribution paid. These transactions are non-cash financing activities.

Notes to the Financial Statements

7. Financial assets

	30 June 2023
	<u>\$</u>
At amortised cost	
Notes issued by securitisation warehouse facility	<u>22,750,000</u>
	<u>22,750,000</u>
At fair value through profit or loss	
Units issued by unit trusts	<u>392,725</u>
Balance end of financial period	<u>23,142,725</u>

8. Fair value measurement

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis. The Fund has no assets and liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

Level 1:

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2:

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

Notes to the Financial Statements

8. Fair value measurement (continued)

The following table shows an analysis of financial instruments held at 30 June 2023 recorded at fair value and presented by level of the fair value hierarchy:

30 June 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets designated at fair value through profit or loss:				
Units in unlisted unit trusts	-	392,725	-	392,725
Total for the financial period	-	392,725	-	392,725

Transfers between levels

There have been no transfers between levels for the financial period from 4 October 2022 to 30 June 2023.

Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

9. Trade and other payables

	30 June 2023
	\$
Investment Manager fees	19,085
Audit fees	13,062
Administration and accounting fees	6,150
Tax services fees	4,703
Responsible entity fees	3,658
Registry fees	3,135
Custody fees	1,537
Balance end of financial period	51,330

Notes to the Financial Statements

10. Net assets attributable to unitholders

Period from 4 October 2022 to 30 June 2023	No. of Units	\$
Opening balance	-	-
Applications for units by unitholders	25,992,018	25,992,018
Redemptions of units	(75,000)	(75,000)
Units issued upon reinvestment of distributions	106,489	106,489
Distributions paid to unitholders	-	(380,973)
Profit for the financial period	-	380,973
Balance as at 30 June 2023	26,023,507	26,023,507

11. Capital management

As a result of the ability to issue, redeem and transfer units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of redeemable units. The Fund's objectives for managing capital are:

- to invest the capital in investments meeting the description, risk exposure and expected return indicated in the Fund's PDS;
- to achieve consistent returns while safeguarding capital;
- to maintain sufficient liquidity to meet the ongoing expenses of the Fund; and
- to maintain sufficient size to make the operation of the Fund cost-efficient.

12. Related party transactions

Transactions with related parties have taken place at arm's length and in the ordinary course of business.

(a) Key management personnel

The key management personnel of the Responsible Entity, during the financial period are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the financial period and as at 30 June 2023.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the financial period.

No fees or remuneration were paid directly to the key management personnel from the Fund during the financial period.

Notes to the Financial Statements

12. Related party transactions (continued)

(b) Responsible Entity/Custodian/Investment Manager fees

(i) Responsible Entity fees

The following fees were payable to the Responsible Entity (which also acts as the Fund's Custodian) out of the Fund's assets during the financial period from 4 October 2022 to 30 June 2023:

	30 June 2023
	<u>\$</u>
Responsible Entity fees for the financial period	32,550
Responsible Entity fees payable	3,658
Custody fees for the financial period	13,639
Custody fees payable	1,537

(ii) Investment manager fees

The following fees were payable to the Investment Manager out of the Fund's assets during the financial period from 4 October 2022 to 30 June 2023:

	30 June 2023
	<u>\$</u>
Investment Manager fees for the financial period	31,358
Investment Manager fees payable	19,085
Investment Manager contributions for expenses recovery for the financial period	133,302
Investment Manager contributions receivable	23,676

The Fund's management costs are limited to a fixed rate of 0.69% annually of the Fund's gross portfolio value as of the last day of the month, which includes Investment Manager fees, Responsible Entity fees, Custody fees, and all other direct and indirect costs. The Investment Manager, therefore, charges a fixed fee to the Fund and recovers all other monthly costs that the Fund is obligated to pay.

Management fees are payable out of the assets of the Fund within 10 days of the end of each month.

(c) Other fees paid to related parties

The Responsible Entity has appointed third party service providers to the Fund, some of whom are related parties of the Responsible Entity. The following entities which are related parties of the Responsible Entity, have provided services to the Fund during the financial period from 4 October 2022 to 30 June 2023:

- One Registry Services Pty Limited (ACN 141 757 360) - unit registry services
- Unity Fund Services Pty Ltd (ACN 146 747 122) - fund administration and tax services

Notes to the Financial Statements

12. Related party transactions (continued)

(c) Other fees paid to related parties (continued)

The transactions during the financial period and amounts payable as at 30 June 2023 between the Fund and these related party service providers were as follows:

	30 June 2023
	\$
Registry fees for the financial period	15,977
Registry fees payable	3,135
Administration and tax service fees for the financial period	32,378
Administration and tax service fees payable	10,853

(d) Investment in unlisted managed investment scheme

The Fund has an investment in Aura Term Deposit Fund ("ATDF"). Aura Capital Pty Ltd ("Trustee") is the Trustee of ATDF and is a subsidiary of the Aura Group. The Investment Manager of the Fund is an associate of the Aura Group.

The transactions during the financial period and balances as at 30 June 2023 between the Fund and ATDF are as disclosed in notes 7 and 8.

(e) Other key management personnel

The key management personnel of the Investment Manager at any time during the financial period are:

Name	Title
Eric King Wai Chan	Director
Kar Wing Ng	Director
Brett Anthony Craig	Director

Montgomery Investment Management Pty Ltd (ACN 139 161 701) (AFSL 354 564) was appointed by the Investment Manager to help promote the Fund to investors as authorised distributor of the Fund. Montgomery is entitled to earn distribution fees paid by the Investment Manager and, subject to certain conditions being met, may be issued equity in the Investment Manager or entities associated with the Investment Manager.

Key management personnel of the Investment Manager and their associated entities did not hold any units in the Fund during the financial period and as at 30 June 2023.

(f) Other key management compensation

Key management personnel of the Investment Manager have not been compensated out of the Fund for the financial period from 4 October 2022 to 30 June 2023.

Notes to the Financial Statements

13. Auditor's remuneration

The Fund has elected Crowe Sydney to be the financial report auditor and Ernst & Young to be the compliance plan auditor. During the year, the following fee was paid or payable for services provided by the auditors for the Fund.

	30 June 2023
	\$
<i>Crowe Sydney</i>	
Auditing of the financial report	<u>13,062</u>

The remuneration of auditors was borne by the Fund in accordance with the Fund's Constitution and recovered from the Investment Manager.

14. Commitments and contingencies

There were no commitments or contingencies at 30 June 2023.

15. Subsequent events

There has been no matter or circumstance occurring subsequent to the end of the financial period from 4 October 2022 to 30 June 2023 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 Fund in future financial years.

Independent Auditor's Report to the Unitholders of Aura Core Income Fund

Opinion

We have audited the financial report of Aura Core Income Fund (the "Fund"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period 4 October 2022 to 30 June 2023, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its financial performance for the period 4 October 2022 to 30 June 2023; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

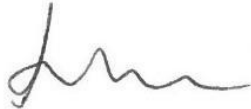
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 those charged with governance.
- Conclude on the appropriateness of those charged with governance'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 those charged with governance 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 the audit.

Crowe Sydney

Crowe Sydney



Alison Swansborough
Partner

14 September 2023
Sydney