Vision Income Fund

Financial Statements
For the year ended 31 March 2026

Report contents

Directory

The Manager	FundRock NZ Limited Level 2, Woodward House 1 Woodward Street PO Box 25003 Wellington, New Zealand 6140
Investment Manager	Vision Invest Pty Limited Level 6, The Precinct 10 Herb Elliot Avenue Sydney Olympic Park, NSW 2127 Australia
Directors of the Manager	Jeremy Valentine Hugh Stevens Michael Courtney (ceased 26 March 2026) Rebecca Palmer Donna Mason (appointed 26 March 2026)
The Supervisor	Public Trust Level 2, 22 Willeston Street Private Bag 5902 Wellington, New Zealand 6140
Administration Manager	Adminis NZ Limited Level 5 96 The Terrace PO Box 25555 Wellington, New Zealand 6140
Auditor	KPMG 44 Bowen Street PO Box 996 Wellington, New Zealand 6011
Correspondence	All correspondence and enquiries about the Fund should be addressed to the Manager, FundRock NZ Limited, at the above address.

Independent Auditor's Report

To the Unit holders of Vision Income Fund

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 March 2026;
- the statements of comprehensive income, changes in funds attributable to unitholders and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements of Vision Income Fund (the **Fund**) on pages 7 to 25 present fairly in all material respects:

- the Fund's financial position as at 31 March 2026 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Vision Income Fund in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the Fund.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at 1% of total assets of the Fund. We chose the benchmark because, in our view, this is a key measure of the Fund's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the Unitholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter	How the matter was addressed in our audit
Carrying value of Loans Receivable	
Refer to Note 2 Summary of significant accounting policies and Note 6 Loans receivable of the financial statements. The Fund's portfolio of loans is the most significant asset. Loans receivables are held by the Custodian on behalf of the Fund. The Fund recognises an impairment allowance for expected credit losses (ECL) on loans receivable. Judgement is required to incorporate a forward-looking economic view in the estimation of the ECL. Carrying value of loans receivable is a key audit matter due to the significance of the loans receivable balance to the Fund financial statements and the high degree of judgement and complexity involved in estimating the expected credit loss provision.	Our audit procedures over the valuation of loans receivable included; • Developing an understanding of the internal processes and relevant controls over loan origination and loan monitoring processes; • Considering the reasonableness of the key judgements and inputs included in the ECL model and where relevant agreeing these inputs to external data; • Testing the mathematical accuracy of the ECL calculation; and • Performing sensitivity analysis, considering a range of likely outcomes for various scenarios, and comparing the fund ECL coverage ratio to market benchmarks. Our audit procedures over the existence of loans receivable included: • Documenting and understanding the processes in place to record loans receivable transactions. This included evaluating the control environment in place at the Custodian by obtaining and reviewing the control report issued by an independent auditor on the design and operation of those controls; and • Obtaining confirmation from the Custodian for all loans receivable balances as at 31 March 2026.
Valuation and existence of investments	
Refer to Note 2 Summary of significant accounting policies and Note 6 Financial assets at fair value through profit and loss (FVTPL) of the financial statements. The Funds' portfolio of investments is the most significant asset. These	Our audit procedures included: • Documenting and understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the custodian and administrator by obtaining and reading the reports issued by independent auditors on the design and operation of those controls; • Agreeing the valuation of unlisted unit trusts to externally quoted prices. Where externally quoted prices were unavailable, we agreed

The key audit matter	How the matter was addressed in our audit
comprise liquid investments including unlisted unit trusts. The investment portfolio in total, due to its materiality in the context of the financial statements as a whole, is our most significant area of audit focus.	the valuation of unlisted unit trusts to confirmations received from the investment manager; • Recalculated the net gains/losses on financial assets/(liabilities) measured at FVTPL based on the investment portfolio reports; • Agreeing investment holdings to confirmations received from the custodian; and • Checking the accuracy of fair value hierarchy disclosure as disclosed in the financial statements.

Other information

The Manager, on behalf of the Fund, are responsible for the other information. The other information comprises information included in the Directory, but does not include the financial statements and our auditor's report thereon.

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

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

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

Use of this independent auditor's report

This independent auditor's report is made solely to the Unitholders. Our audit work has been undertaken so that we might state to the Unitholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Unitholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Manager for the financial statements

The Manager, on behalf of the Fund, are responsible for:

— the preparation and fair presentation of the financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;

— implementing the necessary internal control to enable the preparation of a set of financial statements that is free from material misstatement, whether due to fraud or error; and

— assessing the ability of the Fund to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and

— to issue an independent auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ 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 the financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-2/

This description forms part of our independent auditor’s report.

The engagement partner on the audit resulting in this independent auditor’s report is Gavin Silva.

For and on behalf of:

KPMG

KPMG
Wellington
28 July 2026

Statement of comprehensive income

for the year ended 31 March 2026
in New Zealand Dollars

	Note	Vision Income Fund 2026 $	Vision Income Fund 2025 $
Income			
Interest income - amortised cost		**8,533,599**	9,400,105
Distribution income		**1,258,933**	1,965,725
Net gains on financial assets at fair value through profit or loss	4	**760,987**	260,377
Fee rebates		**71,984**	49,864
Drawdown/early withdrawal fees		**-**	50,701
Total income		**10,625,503**	11,726,772
Expenses			
Auditor's fees - financial statements audit		**46,875**	60,490
Custody fees		**18,314**	16,971
Impairment allowance	6	**5,338**	320,675
Investment accounting fees		**113,379**	108,075
Management fees	9	**3,375,043**	3,030,200
Other expenses		**32,905**	42,171
Supervisor fees	9	**26,915**	23,482
Total expenses		**3,618,769**	3,602,064
Net profit attributable to unit holders		**7,006,734**	8,124,708
Other comprehensive income		**-**	-
Total comprehensive income for the year attributable to unit holders		**7,006,734**	8,124,708

This statement is to be read in conjunction with the notes to the financial statements.

Statement of financial position

as at 31 March 2026

in New Zealand Dollars

		Vision Income Fund	
	Note	**2026 $**	2025 $
Current assets			
Cash and cash equivalents	3	**19,400,723**	16,615,083
Financial assets at fair value through profit or loss	4	**15,439,851**	73,678,864
Loans receivables	6	**9,648,857**	14,828,165
Other receivables	7	**160,327**	5,193,347
Non-current assets			
Loans receivables	6	**109,448,024**	93,726,863
Total assets		**154,097,782**	204,042,322
Liabilities			
Other payables	8	**4,292,027**	7,359,243
Related party payables	9	**640,541**	439,505
PIE tax payable		**973,939**	1,213,469
Total liabilities		**5,906,507**	9,012,217
Net assets		**148,191,275**	195,030,105
Represented by:			
Net assets attributable to unit holders		**148,191,275**	195,030,105

These financial statements were authorised for issue by the Manager, FundRock NZ Limited:

Director

Director

28 July 2026

Date

28 July 2026

Date

This statement is to be read in conjunction with the notes to the financial statements.

Statement of changes in funds attributable to unit holders

for the year ended 31 March 2026

in New Zealand Dollars

	Vision Income Fund	
	2026	2025
	$	$
Net assets attributable to unit holders at the start of the year	**195,030,105**	136,076,777
Applications	**70,840,799**	116,816,610
Redemptions	**(116,461,313)**	(56,084,597)
Distributions	**(7,011,402)**	(8,445,262)
Unit holders tax	**(1,213,648)**	(1,458,131)
Net (decrease)/increase from unit holder transactions	**(53,845,564)**	50,828,620
Total comprehensive income for the year	**7,006,734**	8,124,708
Net assets attributable to unit holders at the end of the year	**148,191,275**	195,030,105

	2026	2025
	Units	Units
Units on issue at the start of the year	**196,024,648**	136,750,767
Units issued	**70,843,637**	116,816,610
Units redeemed	**(117,677,800)**	(57,542,729)
Units on issue at the end of the year	**149,190,485**	196,024,648

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This statement is to be read in conjunction with the notes to the financial statements.

Statement of cash flows

for the year ended 31 March 2026

in New Zealand Dollars

	Note	Vision Income Fund 2026 $	2025 $
Cash flows from operating activities			
Cash was provided from			
Loan principal repayments		**41,512,989**	24,163,612
Sale of investments		**64,000,000**	16,000,000
Distribution income		**1,258,933**	1,965,725
Fee rebate income		**71,984**	49,864
Interest income		**8,566,619**	9,352,544
Drawdown/early withdrawal income		**-**	50,701
Cash was provided to			
Loan drawdowns		**(52,061,680)**	(55,793,233)
Purchase of investments		**-**	(48,000,000)
Operating expenses		**(3,431,998)**	(2,964,402)
Net cash inflow/(outflow) from operating activities	10	**59,916,847**	(55,175,189)
Cash flows from financing activities			
Proceeds from units issued		**66,819,848**	111,604,221
Redemptions		**(119,327,772)**	(50,264,902)
Distributions		**(3,170,105)**	(3,232,001)
PIE tax paid		**(1,453,178)**	(1,374,473)
Net cash (outflow)/inflow from financing activities		**(57,131,207)**	56,732,845
Net cash inflow		**2,785,640**	1,557,656
Net cash and cash equivalents at the beginning of the year		**16,615,083**	15,057,427
Net cash and cash equivalents at the end of the year		**19,400,723**	16,615,083

Non cash transactions			
Distributions satisfied by issue of units		**(4,020,951)**	(5,212,389)
Proceeds from units issued		**4,020,951**	5,212,389

This statement is to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. GENERAL INFORMATION

Reporting entity	The Vision Income Fund (the "Fund"), is a unit trust registered in New Zealand that commenced on 5 June 2020. The Fund is governed by a Master Trust Deed dated 1 December 2016 between FundRock NZ Limited (the "Manager") and Public Trust (the "Supervisor") and a Scheme Establishment Deed dated 16 December 2019 (together, the "Trust Deed"). The Fund is a for-profit entity. Vision Invest Pty Limited (the "Investment Advisor and Distributor" and the "Investment Manager") defines the Fund's investment mandate, reviews the mandate and provides promotion and distribution support to the Fund. As Investment Manager, Vision Invest Pty Limited makes decisions about what the Fund invests in and selects an appropriate loan administrator (2025: Aura Funds Management Pty Limited was the Investment Manager). Funding Partners Administration Limited (the "Loan Administrator") assesses and confirms to the Investment Manager that loan applications comply with the Lending and Credit Policy, oversees documentation of loans made by the Fund and monitors and reports to the Investment Manager all money paid by borrowers on those loans. The purpose of the Fund is to provide members of the Brethren community ('Community') with an investment product that suitably satisfies the Community's ethical requirements, as an alternative to other fixed income investments in the market. The Fund will make loans to businesses in the Community and make investments in other fixed income investments and cash and cash-like investments. The Fund may also invest in other credit funds or collective investment vehicles whose investments include loans made to the Community. The investment objective is to generate returns that are above the median 1-year term deposit rate paid by the registered New Zealand banks. The financial statements are for year ended 31 March 2026, with comparatives for the year ended 31 March 2025.
Statutory Base	The financial statements for the Fund have been prepared in accordance with the Trust Deed and the Financial Markets Conduct Act 2013 ("FMCA").
Basis of preparation	The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and other legislative requirements as appropriate for for-profit entities. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other New Zealand accounting standards and authoritative notices applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared on the historical cost basis, unless stated otherwise in specific accounting policies. The accrual basis of accounting has been applied, as has the going concern assumption. The assets and liabilities in the financial statements have been presented in order of their liquidity. All assets and liabilities that have a maturity of less than a year or have no fixed maturity are considered current assets/liabilities.
New standards and amendments to existing standards effective in the current year	There are no new or amended standards for the year ended 31 March 2026 that have had a material impact on the financial statements.
New accounting standards and interpretations not adopted	In May 2024, the XRB introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18) (effective for annual reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAS 1 Presentation of Financial Statements (NZ IAS 1) and primarily introduces a defined structure for the statement of comprehensive income, disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements. the Fund has not early adopted this standard and is yet to assess its impacts. No other standards and amendments to existing standards and interpretations that are not yet in effect are expected to have a material impact on the financial statements of the Fund.

1. GENERAL INFORMATION - CONTINUED

Significant accounting estimates and judgements

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgment in the process of applying the Fund's accounting policies.

The significant accounting estimates impacted by forecasts and associated uncertainties are predominantly related to expected credit losses and recoverable amount assessments of financial assets. The Manager has developed various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2026 about future events that are reasonable in the circumstances. The underlying assumptions are subject to uncertainties which are often outside the control of the Fund. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

Climate related risks and opportunities

The Manager is currently a climate reporting entity ("CRE") in respect of the Fund which it manages in accordance with FMCA 2013. On 28 October 2025 the Financial Markets Authority ("FMA") announced 'No action' relief" for entities that are CRE and the existing climate reporting obligations to cease once legislation is passed. Based on the proposed amendments to the FMCA 2013, the Manager will not be a CRE once the FMCA 2013 is amended. As such, the Manager is not preparing climate statements for the Fund for the year ending 31 March 2026.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is the Fund's functional currency. All amounts have been rounded to the nearest dollar.

Financial instruments

(a) Classification

Financial assets at fair value through profit or loss

The Fund classifies its investments in unlisted unit trusts as financial assets at fair value through profit or loss. The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's investment strategies, policies and guidelines are established by the Manager. The portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's investment strategies.

The Manager and investment manager are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

Financial assets and liabilities at amortised cost

The Fund's loans receivables, cash and cash equivalents and other receivables are classified as financial assets at amortised cost based on the Fund's business model for managing those financial assets and the contractual cash flow characteristics. The contractual cash flows of the Fund's loans are solely principal and interest, and the securities are held for the purpose of collecting contractual cash flows.

Financial liabilities at amortised cost comprise related party payables and other payables.

(b) Recognition

Purchases and sales of investments are recognised on the trade date, the date on which the Fund commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value and, subsequent to initial recognition, measured at fair value. Gains and losses arising from changes in fair value are recognised in the Statement of Comprehensive Income when they arise. Interest, dividend and distribution income are separately recognised in the Statement of Comprehensive Income. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Loans are recognised on drawdown date. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

(c) Measurement

'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 in the principal or, in its absence, the most advantageous market to which the Funds had access at that date. The fair value also includes non-performance risk.

Fair value of unlisted unit trusts

The fair value of investments in unlisted unit trusts is determined using the last available redemption unit prices for those funds at reporting date. The Manager of the Fund may make adjustments based on considerations such as the liquidity of the underlying investments and any restrictions on redemptions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial instruments - continued

(c) Measurement - continued

Fair value in an inactive market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Financial assets at amortised cost are measured using the effective interest method less any impairment.

(d) Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or those rights are transferred in a transaction in which the Fund does not retain control of the financial asset. Any gain or loss arising on derecognition of the asset is recognised in the Statement of Comprehensive Income in the year the item is derecognised. Gains or losses are calculated as the difference between the disposal proceeds and the carrying amount of the item.

Impairment

(a) Financial Instruments

The Fund recognises loss allowances for expected credit losses (ECLs) on loans receivables. The Fund measures ECLs under a three-stage model for its financial assets as follows:

Stage	Criteria	Measurement of ECLs
Stage 1	Applies to all financial assets that are considered to be ‘performing’. Financial assets fall within this stage when there has not been a significant increase in credit risk since the initial recognition of the financial asset.	ECLs are measured at 12-month expected credit losses. This measurement is based on possible default events occurring within 12 months after reporting date.
Stage 2	Applies to all financial assets that are considered to be ‘under-performing’. Financial assets fall within this stage when there has been a significant increase in credit risk since the initial recognition of the financial asset, but is not yet considered to be ‘credit impaired’. Further criteria are set out in (b) below.	ECLs are measured at lifetime expected credit losses. This measurement is based on possible default events occurring over the expected life of the financial asset.
Stage 3	Applies to all financial assets that are considered to be ‘credit impaired’. Financial assets fall within this stage when objective evidence of credit-impairment emerges with one or more events that have a detrimental impact on the estimated future cash flows of the financial assets. In any event, where the borrower is in arrears by 90 days, the Fund considers there to be a significant increase in credit risk warranting the loan to be classified as ‘credit-impaired’ and included in Stage 3. Detailed criteria used by the Fund is set out in both (b) and (c) below.	ECLs are measured at lifetime expected credit losses. This measurement is based on possible default events occurring over the expected life of the financial asset.
Write off	Loans are written off when there is no reasonable expectation of recovery (refer (e) below).	The loan less any related provision is written off (refer (e) below).

At each reporting date, the Fund assesses whether there has been a significant increase in credit risk for financial assets and whether a financial asset is ‘credit impaired’ to then classify the financial asset as either Stage 1, 2 or 3.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund’s historical experience and informed credit assessment and including forward-looking information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Impairment - continued

(b) Determining significant increase in credit risk ("SICR") for loans
A SICR is assessed by comparing the risk of default at the reporting date to the corresponding risk of default at origination. In determining what constitute a SICR risk, the Fund has considered reasonable and supportable qualitative and quantitative information. The primary indicator of a SICR is a significant deterioration in the internal credit rating grade (explained below) of the lending between origination and reporting date. The Fund assigns credit risk ratings internally for all loans based on information during the loan application and origination process and reviews these ratings as part of the Fund's ongoing monitoring of loans. All loans and respective ratings are reviewed at least annually.

The Fund uses a range of metrics to determine a risk rating for each loan in the portfolio, and for the portfolio of loans in aggregate. Internal rating grade range from 1 to 4 (1 being low expected credit loss). The internal ratings are assigned using a range of metrics, to assess the borrower's financial condition and capacity to repay.

At balance date all loans in the portfolio have a risk rating between 1 and 3.25 (2025: between 1 and 3.25).

A change in the credit risk rating approximates a change in the risk of a default occurring over the expected life of the loan. Where the credit risk rating increases for a loan compared to what was assigned during the loan application and origination process, the Fund considers that a significant increase in credit risk has occurred.

A significant increase in credit risk may also occur without a change in the credit risk rating assigned. The Fund considers other factors when determining a significant increase in credit risk that includes:
- Actual or expected significant adverse changes in business, financial or economic conditions relative to the borrower's ability meet their obligations;
- Actual or expected significant adverse changes in the operating results of the borrower;
- Significant increases in credit risk on other loans made to the borrower;
- Significant changes in the value of collateral supporting the loan;
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status and behaviour of the borrower.

In any event, where the borrower is in arrears by 30 days, the Fund considers there to be a significant increase in credit risk warranting the loan to be classified as 'under-performing' and included in Stage 2.

All loan and ECL movements between stages during the period are detailed in Note 6.

The Fund uses forward-looking information that is available without undue cost or effort in its assessment of SICR as well as in its measurement of ECL. The Fund uses external and internal information to generate a possible forecast scenarios. The external information used includes registered New Zealand banks historic data published by Reserve Bank of New Zealand.

(c) Credit-impaired financial assets
A financial asset is 'credit impaired' when objective evidence of credit-impairment emerges with one or more events that have a detrimental impact on the estimated future cash flows of the financial assets. The Fund determines that a loan is 'credit-impaired' when it is assigned the maximum credit risk rating. The Fund also considers a loan to be 'credit-impaired' when:
- There is significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan by the Fund on terms that the Fund would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

(d) Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are the difference between the contractual cash flows that are due to the Fund and the cash flows the Funds expects to receive.

The Fund determines the ECLs by applying an ECL rate proxy to the gross carrying amount of the financial assets. The ECL rate proxy is based on information that can be obtained without undue cost or effort. As the Fund has no history of cash shortfalls, comparable banking industry data (collective provisions as a proportion of total business loans) published by the Reserve Bank of New Zealand is used as an ECL rate proxy.

The ECL rate proxy is representative of the loss-given default ("LGD"), which is the level of cash shortfalls or loss expected should a default event occur, multiplied by the probability of cash shortfalls arising due to default events occurring ("PD").

For all loans, an ECL rate proxy (0.83%) (2025: 0.91%) is applied to reflect the credit loss.

Since inception of the Fund, there have been no cash shortfalls, losses or defaults relating to any of the loans within its loan portfolio. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Impairment - continued

(e) Write-off
The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Fund individually assesses the financial assets, with respect to the timing and amount of write-off, based on whether there is a reasonable expectation of recovery. The Fund expects no significant recovery from the amount written off, however, financial assets that are written off could still be subject to enforcement activities in order to comply with the Fund's procedures for recovery of amounts due.

Income recognition

Interest income is recognised in the Statement of Comprehensive Income as the interest accrues using the effective interest rate method. Interest income is earned on loans and bank balances.

For Stage 1 and 2 financial assets, interest revenue is recognised using the effective interest rate on the gross carrying amount. For Stage 3 financial assets, interest revenue is recognised using the effective interest rate on the net carrying amount (gross carrying amount less provision).

Interest income is disclosed net of any foreign tax credits and resident withholding taxes deducted at source, as these tax credits are allocated to unit holders under the PIE regime.

Fee rebate income is received from underlying investment manager as a discount to the standard fee charged to the unlisted unit trust and reflected in its unit price. Fee rebates are accrued monthly, based on the fair value of the unlisted unit trust and recognised in the Statement of Comprehensive Income when the Fund's right to receive payment is established.

Loan establishment fee income is recognised in the Statement of Comprehensive Income using the effective interest method. Loan establishment fees are amortised over the life of the asset on which it is derived.

Any unrealised gains or losses arising from the revaluation of investments and any realised gains or losses from the sale of investments during the year are included in the Statement of Comprehensive Income.

Expenses

All expenses, including the Fund's management fees are recognised in the Statement of Comprehensive Income on an accruals basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity of three months or less and are initially measured at fair value. Subsequent to initial recognition, all cash and cash equivalents are measured at amortised cost.

Other payables

Other payables include liabilities and accrued expenses owed by the Fund that are unpaid at balance date. Payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

Related party payables

Payables to related parties include accrued expenses owed to related parties which are unpaid at balance date. Related party payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

Taxation

The Fund is a Portfolio Investment Entity ("PIE"). Under the PIE regime income is effectively taxed in the hands of the unit holders and therefore the Fund has no tax expense. Accordingly, no income tax expense is recognised in the Statement of Comprehensive Income.

Under the PIE regime, the Manager attributes the taxable income of the Fund to unit holders in accordance with the proportion of their interest in the overall Fund. The income attributed to each unit holder is taxed at the unit holder's prescribed investor rate ("PIR") which is currently capped at 28%. Any PIE tax payable/refundable on full withdrawals is paid/received by the Manager on behalf of unit holders and deducted from or added to the withdrawal proceeds paid. Units are cancelled/issued to the value of the tax paid/refunded upon determination of the unit holders' annual PIE tax liabilities/assets at 31 March each year.

At 31 March each year, the unit holders' net tax position is accrued and the value of unit holders' funds is adjusted to reflect the impact of tax payable/receivable on the value of the unit holders' interest in the Fund. Unit holders' PIE tax amounts disclosed in the Statement of Changes in Funds Attributable to Unit Holders include withdrawals to meet unit holder tax liabilities and application representing unit holder tax refunds under the PIE regime.

The PIE tax attributable to unit holders at balance date is calculated on the basis of the tax laws enacted or substantively enacted at balance date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Goods and Services tax

The Fund is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.

Statement of cash flows

Definitions of the terms used in the Statements of Cash Flows are:

(a) Operating activities comprise all transactions and other events that are not financing activities and includes purchases and sales of investments.

(b) Financing activities are those activities that result in changes in the size and composition of unit holders' funds. This includes elements of unit holders' funds not falling within the definition of cash. Distributions paid in relation to unit holders' funds are included in financing activities.

Distributions

The income of the Fund is distributed proportionately to unit holders in each Fund according to number of units held, subject to and in accordance with the Trust Deed.

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 the units redeemed. Units are issued and redeemed at the holder's option at the unit price for that day. The unit price for each Fund is determined as the net asset value ("NAV") divided by the number of units on issue.

Unit holders' funds

The units issued by the Fund are puttable instruments and meet the definition of an equity instrument, defined as:

(a) unit holders are entitled to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
(b) it is in the class of instruments that is subordinate to all other classes of instruments;
(c) all units have identical rights and are puttable;
(d) apart from the contractual obligation of the issuer to redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability;
(e) the total expected cash flows attributable to the instrument over its life is based substantially on the profit or loss, the change in the recognised net assets or the change in fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund issues redeemable units which are redeemable at the holder's option and are classified as equity and reported as unit holders' funds.

Related parties

The related parties of the Fund include the Manager and the Investment Manager as they have the authority and responsibility for planning, directing, and controlling the activities of the Fund.

The Funds may make loans to other entities controlled by the Manager and Investment Manager. Entities with a common manager are not viewed as related party relationships as per NZ IAS 24 - Related Party Disclosures ("NZ IAS 24"), however these transactions and balances are disclosed for the purposes of these financial statements.

Additionally, whilst transactions with the Board and members of senior leadership team of the Manager and Investment Manager are not viewed as related party relationships as per NZ IAS 24, these transactions and balances are disclosed in these financial statements.

3. CASH AND CASH EQUIVALENTS

	Vision Income Fund	
	2026 **$**	2025 $
Cash at bank - New Zealand dollars	**19,400,723**	16,615,083
Total cash and cash equivalents	**19,400,723**	16,615,083

4. NET GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Vision Income Fund	
	2026 $	2025 $
Financial assets at fair value through profit or loss		
Unlisted unit trust	**760,987**	260,377
Total net gains on financial assets and liabilities at fair value through profit or loss	**760,987**	260,377

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Vision Income Fund	
	2026 $	2025 $
Financial assets at fair value through profit or loss		
Unlisted unit trust	**15,439,851**	73,678,864
Total financial assets at fair value through profit or loss	**15,439,851**	73,678,864

Level 2 fair value determination

The fair value of units held by the Fund in unlisted unit trusts is determined by reference to published unit prices calculated by those funds' administration managers and are included within level 2 of the fair value hierarchy.

There have been no transfers between the levels of the fair value hierarchy.

6. LOANS RECEIVABLES

	Vision Income Fund	
	2026 $	2025 $
Loans receivables		
Gross loans	**120,096,092**	109,548,901
Impairment allowance	**(999,211)**	(993,873)
Total loans receivables	**119,096,881**	108,555,028
Current loans	**9,648,857**	14,828,165
Non-current loans	**109,448,024**	93,726,863
Total loans receivables	**119,096,881**	108,555,028

	2026 $	2025 $
Opening balance	**108,555,028**	77,245,332
New loans advanced	**52,061,680**	55,793,233
Repayment of existing loans	**(41,512,989)**	(24,163,612)
Change in unsettled drawdown	**(1,500)**	750
Change in impairment allowance	**(5,338)**	(320,675)
Total loans receivables	**119,096,881**	108,555,028

6. LOANS RECEIVABLES - CONTINUED

The Fund has provided for credit losses against financial assets as follows:

31 March 2026	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
Loans receivables				
Gross loans	**119,346,634**	**-**	**749,458**	**120,096,092**
Expected credit losses	**(992,975)**	**-**	**(6,236)**	**(999,211)**
	118,353,659	**-**	**743,222**	**119,096,881**
Expected credit loss rate	**0.83%**	**0.00%**	**0.83%**	**0.83%**
Other financial assets				
Cash and cash equivalents	**19,400,723**	**-**	**-**	**19,400,723**
Expected credit losses	**-**	**-**	**-**	**-**
	19,400,723	**-**	**-**	**19,400,723**
Expected credit loss rate	**0.00%**	**0.00%**	**0.00%**	**0.00%**

31 March 2025	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
Loans receivables				
Gross loans	108,789,094	-	759,807	109,548,901
Expected credit losses	(986,959)	-	(6,914)	(993,873)
	107,802,135	-	752,893	108,555,028
Expected credit loss rate	0.91%	0.00%	0.91%	0.91%
Other financial assets				
Cash and cash equivalents	16,615,083	-	-	16,615,083
Expected credit losses	-	-	-	-
	16,615,083	-	-	16,615,083
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%

The movement in expected credit losses as reflected within the different stages in the model can be illustrated as follows:

For the year ending 31 March 2026	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
Opening ECLs	**(986,959)**	**-**	**(6,914)**	**(993,873)**
Transfer between stages	**-**	**-**	**-**	**-**
Movement in ECLs for the year	**(6,016)**	**-**	**678**	**(5,338)**
Closing ECLs	**(992,975)**	**-**	**(6,236)**	**(999,211)**

For the period ending 31 March 2025	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
Opening ECLs	(639,955)	(33,243)	-	(673,198)
Transfer between stages	(11,602)	24,603	(13,001)	-
Movement in ECLs for the year	(335,402)	8,640	6,087	(320,675)
Closing ECLs	(986,959)	-	(6,914)	(993,873)

6. LOANS RECEIVABLES - CONTINUED

Movement in balances of expected credit losses:	Vision Income Fund	
	2026 **$**	2025 $
Opening balance	**(993,873)**	(673,198)
Current period amounts written off	**-**	-
Decrease/(increase) in ECLs	**(5,338)**	(320,675)
Balance at end of the period	**(999,211)**	(993,873)

Impairment losses recognised in profit or loss:	Vision Income Fund	
	2026 **$**	2025 $
Individual impairment expenses	**-**	-
Movement in ECL provision on financial assets	**(5,338)**	(320,675)
Total impairment expense	**(5,338)**	(320,675)

7. OTHER RECEIVABLES

	Vision Income Fund	
	2026 **$**	2025 $
Interest receivable	**160,327**	193,347
Unsettled trades	**-**	5,000,000
Total other receivables	**160,327**	5,193,347

All other receivable balances are current assets. Other receivables are classified as financial assets at amortised cost under NZ IFRS 9 - Financial instruments ("NZ IFRS 9").

8. OTHER PAYABLES

	Vision Income Fund	
	2026 **$**	2025 $
Distributions payable	**116,332**	295,986
Audit fees payable	**68,633**	60,490
Investment accounting fees payable	**22,304**	22,231
Custody fees payable	**1,500**	1,774
Other fees payable	**345**	27,890
Unsettled drawdowns	**6,000**	7,500
Redemptions payable	**4,076,913**	6,943,372
Total other payables	**4,292,027**	7,359,243

All other payable balances are current liabilities. Other payables are classified as financial liabilities at amortised cost under NZ IFRS 9.

9. RELATED PARTIES

Related parties comprise the Manager, the Investment Manager, the Supervisor and their related entities.

The Fund is subject to Total Annual Fund Charges (estimated and including GST) of 2.50% per annum ("p.a.") of NAV. Total annual Fund Charges are made up of Fixed Charges and Variable Charges.

Management and Supervisor fees

Fixed charges
Fixed Charges include management fees, supervisor fees, loan administration fees, fees charged within any underlying funds into which the Fund invests, costs for administration services including registry, unit pricing and investment accounting, custody fees, bank fees and other costs incurred by the Manager, Supervisor and Investment Manager in carrying out their respective duties.

The Manager is entitled to a fee, payable out of the Fund, in relation to the services it provides as the Manager of the Fund. The Manager's fee is calculated as 0.25% of NAV per annum, calculated and accrued monthly and paid in arrears. Fees paid to the Manager for the year were $258,461 (31 March 2025: $235,626).

Aura Funds Management Pty Limited was entitled to a fee, payable out of the Fund, in relation to the services they provided as Investment Manager of the Fund for the year ending 31 March 2025. The fee was calculated as 0.42% of NAV per annum, calculated and accrued monthly and paid in arrears. Fees paid to Aura Funds Management Pty for the year ending 31 March 2025 were $635,150.

The Supervisor is entitled to a fee, payable out of the Fund, in relation to the services they provide as Supervisor of the Fund. The Supervisor's fee is calculated as 0.06% of NAV per annum, calculated and accrued monthly and paid in arrears. Fees paid to the Supervisor for the year were $26,915 (31 March 2025: $23,482)

Variable charges
The Residual amount paid to the Investment Manager is calculated by taking the Fund's monthly returns less expenses of operating the fund and distributions paid to investors, which means that the Residual amount will fluctuate depending on the Fund's returns and the distributions made to investors.

Variable fees paid to the Investment Manager for the year were $2,785,258 (31 March 2025: $1,865,259).

Total Management and Supervisor fees for the year are disclosed in the Statement of Comprehensive Income.

Related party payables	Vision Income Fund	
	2026 $	2025 $
Management fees payable	**638,241**	437,343
Supervisor fees payable	**2,300**	2,162
Total related party payables	**640,541**	439,505

All related party payable balances are current liabilities. Related party payables are classified as financial liabilities at amortised cost under NZ IFRS 9.

Related party holdings in the Fund

Directors and key management personnel of the Manager, Investment Manager, Investment Advisor and their immediate family members do not have holdings in the Fund.

Loans to related parties

The Fund has made loans to UBT Holdings Limited, Fasteners Direct Global Limited and TML Investment Trustees during the reporting period. The Investment Manager of the Fund has significant influence over the borrower. Loans to related parties were made using the same specific policy guidelines, benchmark asset allocations and lending limits that were applied to non-related party loans. These guidelines, allocations and limits can be found in the Fund's Statement of Investment Policy and Objectives ("SIPO").

Related party loans	Vision Income Fund	
	2026 $	2025 $
Opening balance	**13,869,677**	14,355,000
New loans advanced	**878,532**	1,363,222
Repayment of existing loans	**(728,747)**	(1,846,663)
Change in impairment allowance	**9,280**	(1,882)
Closing balance of related party loans	**14,028,742**	13,869,677

10. RECONCILIATION OF NET PROFIT ATTRIBUTABLE TO UNIT HOLDERS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Vision Income Fund	
	2026	2025
	$	$
Net profit attributable to unit holders	**7,006,734**	8,124,708
Adjustments for:		
Loan drawdowns	**(52,061,680)**	(55,793,233)
Principal repayments	**41,512,989**	24,163,612
Purchase of investments	**-**	(48,000,000)
Sale of investments	**64,000,000**	16,000,000
Net gains on financial assets at fair value through profit or loss	**(760,987)**	(260,377)
Change in impairment allowance	**5,338**	320,675
Changes in payables and receivables:		
Change in interest receivable	**33,020**	(47,561)
Accounts payable	**181,433**	316,987
Net cash inflow/(outflow) from operating activities	**59,916,847**	(55,175,189)

11. DISTRIBUTIONS

	Vision Income Fund	
	2026	2025
	$	$
Distributions paid in cash	**2,874,119**	2,936,887
Distributions payable in cash	**116,332**	295,986
Distributions satisfied by issue of units	**4,020,951**	5,212,389
Total distributions	**7,011,402**	8,445,262

12. FINANCIAL RISKS

Financial risk factors

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

The Fund's investment objectives, strategies and guidelines are outlined in the Scheme Establishment Deed, PDS and Statement of Investment Policy and Objectives ("SIPO"). The Manager sets the investment policy and investment guidelines for the Fund and obtains the Supervisor’s approval for any material change to these guidelines. The overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund’s financial performance. The Fund's policy allows it to use derivative instruments to moderate certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on loans is limited to the outstanding principal of the investments held.

12(A). MARKET RISK

Price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Price risk - sensitivity analysis

At 31 March, the net fair value of financial instruments is exposed to price risk. The Manager considers the volatility of the fair value of investments in the portfolio to be in the 10% range. If the price of the Fund's investments increased or decreased by 10%, the Fund's net assets attributable to unit holders and net profit/(loss) would increase or decrease as follows:

	Vision Income Fund	
	2026 $	2025 $
Financial assets at fair value through profit or loss		
Unlisted unit trusts	**15,439,851**	73,678,864
Total	**15,439,851**	73,678,864
Sensitivity analysis		
10% increase in prices	**1,543,985**	7,367,886
10% decrease in prices	**(1,543,985)**	(7,367,886)

Currency risk

Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates.

The Fund does not hold cash and cash equivalents or financial assets at amortised cost denominated in currencies other than New Zealand dollar, the functional currency. The Fund is therefore not exposed to currency risk.

Interest rate risk

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

The Fund holds loans and cash in accordance with agreed limits specified in the Investment Mandate. The Fund is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flow.

Interest rate risk - sensitivity analysis

The following table details the interest rate re-pricing profiles of the financial assets held by the Funds. The table also details, based on exposures at 31 March, the effect of an interest rate increase or decrease by 1.50% (31 March 2025: 1.50%) (which is the Manager's assessment of a reasonable movement with regard to the New Zealand Official Cash Rate which has moved 1.50% over the last twelve months) with all other variables held constant, on the cash flows of cash and cash equivalents, and the related change in net assets attributable to unit holders and net profit/(loss):

	Vision Income Fund	
	2026 $	2025 $
Re-pricing profiles		
Loans receivables		
30 days notice	**119,096,881**	108,555,028
Cash and cash equivalents		
Up to 90 days	**19,400,723**	16,615,083
Total	**138,497,604**	125,170,111
Sensitivity analysis		
Impact on cash flow to changes in interest rates		
Interest rates increase by 1.50%	**2,077,464**	1,877,552
Interest rates decrease by 1.50%	**(2,077,464)**	(1,877,552)

12(B). LIQUIDITY RISK

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due.

The Fund invests a significant portion of its assets in relatively illiquid loans and hence the Manager has established monthly applications and redemptions. The Manager may need to delay or suspend withdrawals if there are insufficient liquid assets to meet withdrawal requests. To mitigate this risk the Manager maintains at least 10% of the assets in liquid investments (such as on call and short term bank deposits).

The Fund's financial liabilities consist of related party payables and other payables which are payable within 30 days and classified as current liabilities at balance date.

The following table sets out the contractual cash flows for all financial assets and liabilities:

31 March 2026	Carrying value	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	$	**$**	**$**	**$**	**$**	**$**	**$**
Assets							
Cash and cash equivalents	**19,400,723**	**19,400,723**	**19,400,723**	**-**	**-**	**-**	**-**
Loans receivables	**119,096,881**	**167,003,887**	**12,161,506**	**6,062,795**	**12,487,534**	**63,893,682**	**72,398,370**
Interest receivable	**160,327**	**160,327**	**160,327**	**-**	**-**	**-**	**-**
Liabilities							
Accounts payable	**4,932,568**	**4,932,568**	**4,932,568**	**-**	**-**	**-**	**-**
PIE tax payable	**973,939**	**973,939**	**973,939**	**-**	**-**	**-**	**-**
Net financial assets	**132,751,424**	**180,658,430**	**25,816,049**	**6,062,795**	**12,487,534**	**63,893,682**	**72,398,370**

31 March 2025	Carrying value	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	$	$	$	$	$	$	$
Assets							
Cash and cash equivalents	16,615,083	16,615,083	16,615,083	-	-	-	-
Loans receivables	108,555,028	153,852,363	5,990,437	17,300,130	12,026,638	70,312,847	48,222,311
Interest receivable	5,193,347	5,193,347	5,193,347	-	-	-	-
Liabilities							
Accounts payable	7,798,748	7,798,748	7,798,748	-	-	-	-
PIE tax payable	1,213,469	1,213,469	1,213,469	-	-	-	-
Net financial assets	121,351,241	166,648,576	18,786,650	17,300,130	12,026,638	70,312,847	48,222,311

The actual repayment of loans may not occur at the contractual maturity date. In the normal course of business, loans are advanced for a further period of time, borrowers repay loans early, or borrowers are unable to repay the loan when it falls due. The Fund is managed based on contractual maturity of loans and liquidity risk is managed primarily by holding a portion of the Fund in cash.

The Manager takes into account the current and expected liquidity requirements of the Fund at the time decisions are made to renew a loan. At reporting date, no loans have a contractual repayment date that is past due.

12(C). CREDIT RISK

Credit risk represents the risk that counterparty to the financial instrument will fail to perform contractual obligations under a contract and cause the Funds to incur a financial loss. Financial instruments that subject the Fund to credit risk are loans, cash and cash equivalents and other receivables.

Changes in economic conditions, changes in law, political events, natural disasters and other external factors may result in an increased number of defaults by borrowers. The Manager mitigates this risk by assessing borrowers against lending criteria, operating within approved loan-to-value ratios and employing experienced loan managers and credit analysts.

There is no material risk of default relating to applications receivable by the Fund (if any) as this receivable has arisen only due to timing between the date of receipt of the funds and when the units are allocated and the receipts processed.

The Fund does not use credit derivatives to mitigate credit risk.

The Fund's cash and cash equivalents are held with Bank of New Zealand (S&P Global credit rating: AA-) (31 March 2025: AA-).

12(C). CREDIT RISK - CONTINUED

At 31 March 2026, all cash and cash equivalents are held with counterparties with high credit ratings and all financial instruments measured at amortised cost (excluding Loans Receivables) are short-term in nature (i.e. no longer than 12 months) and of high credit quality. The Manager considers the probability of default to be close to zero as the counterparties have strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund (31 March 2025: same).

The Fund establishes an impairment allowance (Note 3) that represents its estimate of losses likely to be incurred in its loan portfolio. The Manager's assessment of the impairment allowance is described in the Summary of Accounting Policies above. The impairment allowance is subject to estimation and uncertainty in relation to the future recoverable amount and the expected repayment date.

As at 31 March 2026 there were no financial assets past due (31 March 2025: none).

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Fund's maximum exposure to credit risk on these assets.

31 March 2026	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
	$	**$**	**$**	**$**	**$**
Loans receivables					
Credit grade					
Risk rating 1	**119,346,634**	**-**	**-**	**-**	**119,346,634**
Risk rating 2	**-**	**-**	**-**	**-**	**-**
Risk rating 3	**-**	**-**	**749,458**	**-**	**749,458**
Gross carrying amount	**119,346,634**	**-**	**749,458**	**-**	**120,096,092**
Loss allowance	**(993,191)**	**-**	**(6,020)**	**-**	**(999,211)**
Carrying amount	**118,353,443**	**-**	**743,438**	**-**	**119,096,881**

31 March 2025	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit-impaired	Total
	$	$	$	$	$
Loans receivables					
Credit grade					
Risk rating 1	108,393,913	-	-	-	108,393,913
Risk rating 2	395,181	-	-	-	395,181
Risk rating 3	-	-	759,807	-	759,807
Gross carrying amount	108,789,094	-	759,807	-	109,548,901
Loss allowance	(986,959)	-	(6,914)	-	(993,873)
Carrying amount	107,802,135	-	752,893	-	108,555,028

The maximum exposure to credit risk for each class of other financial asset at the end of the reporting period is the carrying amount in the Statement of Financial Position. As at the end of the reporting period, all loans receivables are not secured by collateral assets but unlimited guarantees by guarantors.

12(D). CAPITAL RISK MANAGEMENT

The Fund's capital is represented by net assets attributable to unit holders. The Manager's objectives when managing capital are to:

- generate returns for investors in excess of the median one-year gross term deposit rate paid by registered New Zealand banks;
- preserve investor capital through prudent credit assessment, diversification and ongoing portfolio monitoring;
- maintain sufficient liquidity to meet anticipated redemption requests and operating obligations; and
- ensure the Fund remains invested in accordance with its investment objective, SIPO and governing documents.

12(D). CAPITAL RISK MANAGEMENT - CONTINUED

The Fund seeks to achieve these objectives by investing predominantly in loans to businesses, other fixed income investments and cash and cash equivalent investments. The Fund may also invest in other credit funds and managed investment schemes in accordance with the Fund's SIPO. The Manager and Investment Manager monitor borrower concentrations, loan quality, portfolio diversification, liquidity levels and compliance with investment limits on an ongoing basis.

Given a significant proportion of the Fund's assets are invested in relatively illiquid loans, liquidity management is an important component of capital management. The Fund operates monthly application and redemption facilities and seeks to maintain a minimum allocation of approximately 10% of the Fund's assets in liquid investments, including cash and cash equivalents, to assist in meeting redemption requests, funding loan drawdowns and managing day-to-day cash flows.

The Manager and Investment Manager monitors the Fund's capital position, forecast cash flows, investor subscriptions and redemptions, available liquidity and loan maturity profile to ensure the Fund can meet its obligations as they fall due while continuing to pursue its investment objective.

The Fund does not have any externally imposed capital requirements. Units may be redeemed on a monthly basis, subject to the terms of the Trust Deed. In certain circumstances, including where there are insufficient liquid assets to satisfy withdrawal requests, withdrawals may be deferred or suspended in accordance with the Trust Deed and applicable regulations.

13. FAIR VALUES

The carrying value of all financial assets and liabilities approximates fair value, due to the short term nature of the financial instrument, or the fact that interest rates can be changed with 30 days notice and the fact that they are assessed for impairment.

(a) Loans receivables and other receivables
The fair value of loans receivables and other receivables determined for disclosure purposes is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.
Any differences between the carrying value and fair value of loans receivables is immaterial as the interest rate can be changed with 30 days notice and impairment charges moderate the value of loans to estimated recoverable value.

(b) Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.
Non-derivative financial liabilities are short term in nature, therefore carrying value approximates fair value.

The carrying value of loans is deemed to be equal to their fair value in accordance with (a). All loans have fixed interest rates (5.25% to 9.40%) (31 March 2025: 6.50% to 10.00%) which are able to be changed with 30 days notice to the borrower. Due to the short term nature of the fixed interest period the carrying value of these loans is materially equal to the fair value.

14. CONTINGENT LIABILITIES & COMMITMENTS

The Fund has no material commitments or material contingencies at 31 March 2026 (31 March 2025: nil).

15. AUDIT FEE

KPMG are entitled to a fee for the services it provides as auditor of these financial statements. Total fees paid to the auditor for the period ending 31 March 2026 were $39,612 (31 March 2025: $37,870).

16. EVENTS SUBSEQUENT TO BALANCE DATE

There are no significant subsequent events that require adjustment to or disclosure in these financial statements.