

The background of the cover is a blue-tinted photograph of a modern glass skyscraper, viewed from a low angle looking up, creating a sense of height and architectural structure.

LA TROBE AUSTRALIAN CREDIT FUND INTERIM REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2024



Head Office

Level 25, 333 Collins Street
Melbourne VIC Australia 3000



Sydney Office

Level 9, Chifley Tower, 2 Chifley Square,
Sydney NSW Australia 2000

The Fund

La Trobe Australian Credit Fund
ARSN 088 178 321

The Custodian

Perpetual Corporate Trust Limited
ACN 000 341 533

The Responsible Entity of the Fund

La Trobe Financial Asset Management Limited
ACN 007 332 363

The Investment Manager

La Trobe Financial Services Pty Limited
ACN 006 479 527

Enquiries

T (03) 8610 2800
E info@latrobefinancial.com.au
W www.latrobefinancial.com.au

Whom to Contact

If you would like to find out more about how La Trobe Financial can help your organisation or more information regarding La Trobe Financial generally, please contact our Chief Investment Officer, Chris Paton.

Industry Body Memberships

Mortgage & Finance Association of Australia (MFAA)
Australian Securitisation Forum (ASF)
Asia Society
Business Council of Australia (BCA)
Financial Services Council (FSC)

Auditor of the Fund

Ernst & Young
8 Exhibition Street,
Melbourne, Victoria, Australia, 3000
T (03) 9288 8000

External Complaints Resolution Body

Australian Financial Complaints Authority Limited
ABN: 38 620 494 340
P GPO Box 3, Melbourne, VIC, Australia, 3001
T 1800 931 678
E info@afca.org.au

IMPORTANT

The La Trobe Australian Credit Fund (the Fund) is a registered Managed Investment Scheme as registered by the Australian Securities & Investments Commission (ASIC) on 14 July 1999.

The Fund previously operated as a private non-regulated credit manager from November 1989. Following changes to the corporations legislation in 1997 relating to the operation of non-regulated investment schemes, the Fund was constituted on 16 June 1999 and registered with ASIC on 14 July 1999. The Fund will terminate on 16 June 2079 unless terminated earlier in accordance with the provisions of the Fund Constitution. La Trobe Financial Asset Management Limited (**La Trobe Financial**), the Responsible Entity, holds an Australian Financial Services Licence issued by ASIC and is an authorised user of the "La Trobe Financial" trademark.

The Interim Financial Report was authorised for issue by the Directors of the Responsible Entity on 17 February 2025.

The Responsible Entity has the power to amend and reissue the Financial Report. La Trobe Financial believes that statements of opinion or fact in this document or any accompanying letter which are additional to the Financial Report of the Fund and the Auditor's Report on the Financial Report are accurate. However, none of the related companies of La Trobe Financial assume any responsibility for reliance upon any such statements or any representations expressed or implied or for any omissions which may have occurred in them.

None of the related La Trobe Financial entities herein or any other related companies guarantee particular representations herein.



This Financial Report covers the La Trobe Australian Credit Fund (the Fund) as an individual reporting entity. The Fund is an Australian Registered Managed Investment Scheme ARSN 088 178 321.

The Responsible Entity of the Scheme under the *Corporations Act 2001* is La Trobe Financial Asset Management Limited ABN 27 007 332 363 (La Trobe Financial). The registered office of La Trobe Financial is Level 25, 333 Collins Street, Melbourne, Victoria, Australia 3000. The Investment Manager for the Fund is La Trobe Financial Services Pty Limited.

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Message from the Chief Investment Officer

2024 was another milestone year for La Trobe Financial.

As a business, we surpassed \$20 billion in assets under management (AUM). Our flagship La Trobe Australian Credit Fund (Credit Fund) celebrated its own milestone, achieving record AUM growth across H1FY25 (+\$1.4bn) to close the calendar year with over \$12 billion in AUM (+13.0%).

Our record AUM growth reflects the strong investor sentiment towards La Trobe Financial. Our ability to deliver a premium, low-volatility income across the cycle is now recognised by 107,798 investors and 4,292 financial advisers who trust La Trobe Financial to manage their wealth.

La Trobe Financial cemented its position as the leading provider of retirement income solutions in Australia, creating an extraordinary \$384m in wealth for investors in the first half of the financial year. This was a new peak in wealth creation, and we are proud to be making such a valuable contribution to Australians who are in or planning for retirement.

We are proud to have maintained our outstanding track record of performance for our investors. That performance includes an incredible 35 years where no investor has ever lost a cent of capital in our Credit Fund portfolio accounts. Our consistent returns and performance track record provide peace of mind to investors. With interest rates falling globally and a period of uncertainty ahead, La Trobe Financial's track record of generating low volatility income at all points along the economic, market and interest rate cycles take on heightened significance.

Our track record is by no means accidental. Our long history of performance is based on some simple tenets of investing:

1. **Simplicity:** We work hard to ensure our products are intuitive and easy to understand. And to paraphrase Warren Buffet, 'Investing is like Olympic diving: You don't get bonus points for degree of difficulty'.
2. **Diversification:** By meticulously preparing portfolios of high quality, highly granular assets, diversified by location, sector, and borrower, we have built robust portfolios to stand the test of time.
3. **Patience:** Getting rich slowly never goes out of fashion. By taking a longer-term view, we avoid getting carried away with hot market trends, favouring delivery of outcomes which are more repeatable month on month, year on year.

On the topic of our assets, across the half we continued to see strong volumes of high-quality originations. Our ability to generate a pipeline of high-quality assets makes us peerless in our chosen markets. It allows our portfolio managers to maintain their discipline and remain thoughtful in the deployment of investor capital.

Wrapping up 2024 with a neat bow for the Credit Fund was the 16th consecutive year of our 12 Month Term Account being awarded Australia's Best Private Credit Fund – Mortgages in Money magazine's annual Best of the Best consumer awards. This is generational recognition of a fund which has provided consistent outcomes for its investors.

Finally, we are delighted to have successfully launched our La Trobe US Private Credit Fund to retail investors. Representing the first in our La Trobe Global Asset Management series, our US Private Credit Fund provides everyday Australian investors with a unique, defensive exposure to U.S. mid-market private credit.

With more retirement-focussed investment products under development, we look forward to introducing additional high-quality investment solutions during 2025.

It is La Trobe Financial's commitment to delivering the highest standards of service and outcomes which drive these achievements. We remain steadfast in this commitment, focussing on maintaining our reputation as Australia's premier alternative asset manager and delivering superior customer service.

Once again, thank you for your ongoing support and investment with La Trobe Financial.

Yours sincerely,



Chris Paton

Chief Investment Officer

Melbourne

17 February 2025

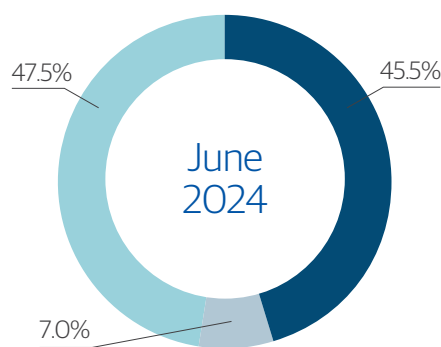
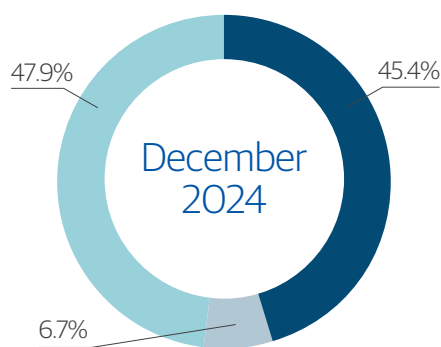
Fund Portfolio Composition

Investment & Security Types

Asset classification	Dec 2024			Jun 2024			Dec 2023		
	No. of Loans	Amount \$'000	% of Total Loan Amounts	No. of Loans	Amount \$'000	% of Total Loan Amounts	No. of Loans	Amount \$'000	% of Total Loan Amounts
Cash		498,295			491,409			287,857	
Credit Assets		449,958			495,071			422,640	
Mortgage Investments									
- Residential	7,376	6,291,598	55.2%	5,987	5,189,377	52.2%	6,805	5,096,871	55.4%
- Commercial	1,942	1,742,884	15.3%	1,917	1,723,149	17.3%	1,795	1,502,309	16.3%
- Construction & Development	561	1,550,663	13.6%	520	1,376,064	13.8%	445	1,081,439	11.8%
- Industrial	1,738	1,255,233	11.0%	1,688	1,157,977	11.6%	1,582	1,049,524	11.4%
- Vacant Land	576	521,201	4.6%	563	464,279	4.7%	527	445,948	4.9%
- Rural	44	34,426	0.3%	43	29,574	0.4%	38	16,349	0.2%
Total	12,237	11,396,005	100.0%	10,718	9,940,420	100.0%	11,192	9,192,440	100.0%
Total Assets Under Management (AUM)		12,344,258			10,926,900			9,902,937	

Funding Sources

Source	Dec 2024		Jun 2024		Dec 2023	
	Amount \$'000	%	Amount \$'000	%	Amount \$'000	%
Adviser direct	2,372,299	19.6%	2,255,730	21.0%	2,099,852	21.5%
Platforms	3,127,443	25.8%	2,627,942	24.5%	2,415,734	24.8%
Advised	5,499,742	45.4%	4,883,672	45.5%	4,515,586	46.3%
Institutional & Private Clients	807,752	6.7%	749,317	7.0%	646,535	6.6%
Self-Directed	5,802,945	47.9%	5,088,623	47.5%	4,594,338	47.1%
Total	12,110,439	100.0%	10,721,612	100.0%	9,756,459	100.0%
Borrower funds & accounts receivable	233,819		205,288		146,478	
Assets	12,344,258		10,926,900		9,902,937	

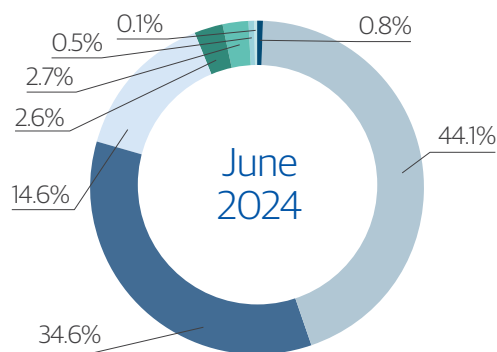
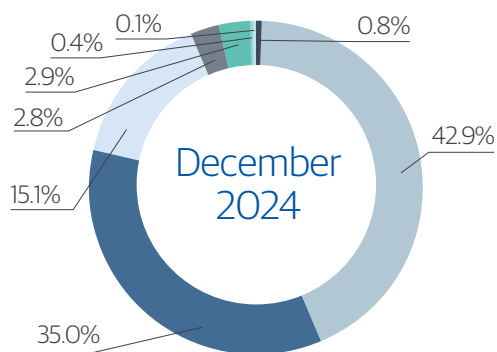


■ Advised ■ Institutional & Private Clients ■ Self-Directed

Fund Portfolio Composition

Distribution by State or Territory

State or Territory	Dec 2024			Jun 2024			Dec 2023		
	No. of Loans	Amount \$'000	% Book	No. of Loans	Amount \$'000	% Book	No. of Loans	Amount \$'000	% Book
Cash		498,295			491,409			287,857	
Credit Assets		449,958			495,071			422,640	
Mortgage Investments									
- ACT	133	90,285	0.8%	114	78,702	0.8%	106	71,047	0.8%
- NSW	3,379	4,883,210	42.9%	2,951	4,385,819	44.1%	2,983	3,834,138	41.7%
- VIC	4,473	3,987,048	35.0%	3,917	3,437,647	34.6%	4,237	3,393,760	36.9%
- QLD	2,850	1,722,308	15.1%	2,509	1,453,727	14.6%	2,624	1,345,683	14.6%
- SA	562	314,570	2.8%	491	258,114	2.6%	518	245,039	2.7%
- WA	678	334,552	2.9%	596	267,438	2.7%	578	240,243	2.6%
- TAS	127	51,570	0.4%	109	48,370	0.5%	120	53,235	0.6%
- NT	35	12,462	0.1%	31	10,603	0.1%	26	9,295	0.1%
Total	12,237	11,396,005	100.0%	10,718	9,940,420	100.0%	11,192	9,192,440	100.0%
Total Assets Under Management (AUM)		12,344,258			10,926,900			9,902,937	



■ ACT
 ■ NSW
 ■ VIC
 ■ QLD
 ■ SA
 ■ WA
 ■ TAS
 ■ NT

Directors' Report

The Directors of La Trobe Financial Asset Management Limited (**La Trobe Financial**) as Responsible Entity for the La Trobe Australian Credit Fund (**the Fund**) present their report together with the Financial Report of the Fund and auditor's review report for the half year ended 31 December 2024 (**half year**).

The Fund

The Fund is a managed investment scheme which was registered with the Australian Securities & Investments Commission (**ASIC**) on 14 July 1999 for the purposes of Part 5C.1 of the *Corporations Act 2001*.

The Fund has received applications for investments under a Product Disclosure Statement (**PDS**) and Supplementary Product Disclosure Statements (**SPDS**) and has maintained greater than 100 investors at all times since inception. Accordingly, the Fund is a disclosing entity as defined by the *Corporations Act 2001*.

The Responsible Entity

La Trobe Financial as Responsible Entity for the Fund operated with a Securities Dealer's Licence from 14 July 1999 until, in accordance with amendments to the *Corporations Act 2001*, it received an Australian Financial Services Licence (**AFSL**) (AFSL No. 222213) on 1 October 2002. In accordance with the introduction of the *National Consumer Credit Protection Act 2009* (**NCCP**), the Responsible Entity also obtained an Australian Credit Licence (**ACL**) (ACL No. 222213) on 6 April 2011.

The Responsible Entity is a wholly owned subsidiary of La Trobe Financial Pty Limited. Brookfield Asset Management Ltd, incorporated in Canada, and management, holds a 100% interest in La Trobe Financial Pty Limited.

The Compliance Committee of La Trobe Financial comprises a majority of Members who are independent and was formed in accordance with Part 5C.5 of the *Corporations Act 2001*. The Compliance Committee's primary focus is to ensure compliance with the licensing and regulatory obligations of the Responsible Entity. The following persons were Members of the Compliance Committee during the half year and up to the date of this Report:

Independent Compliance Committee Members

Mr J Marriott, Chairman
Mr G Parlevliet

Executive Compliance Committee Members

Mr C Paton

The following persons were Directors of La Trobe Financial during the half year and up to the date of this Report:

Mr C Andrews
Mr M Barry
Mr R Donohoue
Mr C Paton

The Investment Manager

The Investment Manager for the Fund is La Trobe Financial Services Pty Limited (**the Investment Manager**), which is a related company of La Trobe Financial and is contracted on normal commercial terms and conditions. The retail investment operations were originally founded and commenced by the Investment Manager in November 1989 and in order to meet national regulatory requirements formed the Fund in 1999 by obtaining an ASIC Securities Dealer's Licence which later became an AFSL.

The Custodian

The custodian of mortgage investments for the Fund is Perpetual Corporate Trust Limited (**the Custodian**).

Principal activities

During the half year ended 31 December 2024, the Fund maintained its investment activities in cash and targeting fixed or variable interest rate mortgage assets and other credit instruments as described in the current Product Disclosure Statement (**PDS**) and in accordance with the provisions of the Fund's Constitution and the Responsible Entity's Compliance Plan.

There have been no significant changes in the nature of activities during the half year ended 31 December 2024.

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund that occurred during the half year ended 31 December 2024.

Directors' Report

Review and results of operations

As described in the Fund's PDS, the Fund operates with seven Investment Accounts (collectively known as investment accounts) for investors:

1. Classic Notice Account;
2. 90 Day Notice Account;
3. 6 Month Notice Account;
4. 12 Month Term Account;
5. 2 Year Account;
6. 4 Year Account; and
7. Select Investment Account.

Each investment account (and investment mandate) has a different risk/reward profile for its investors. All accounts apart from the Select Investment Account operate as pooled accounts.

As outlined in the PDS, the Select Investment Account comprises 'peer-to-peer' investments, being:

- loans secured by mortgages;
- third party originated books for which La Trobe Financial takes on the administration on a "workout recovery basis". These portfolios may be referred to as a "closed investment mandate"; and
- specific investment mandates agreed with individual investors.

La Trobe Financial does not guarantee the performance of any investment account or mandate, however all investment accounts apart from the Select Investment Account benefit from specific dedicated Investor Reserves. La Trobe Financial maintain these identifiable Investor Reserves by investment account for the sole benefit of Fund investors respectively, in order to manage credit risk and income risk of the investors.

Funds and Assets Under Management

For the purpose of the Directors' Report, all investment accounts of the Fund are aggregated, as all Investment Accounts are part of the same registered scheme. These investment accounts in aggregate are referred to as 'Funds Under Management' (when referring to total investor funds) and as 'Assets Under Management' (when referring to the total receivable from borrowers, note balances and cash, as presented in the Balance sheet).

The performance of the Fund in relation to Funds Under Management was as follows:

Funds Under Management statistics	Dec 2024	Jun 2024	Dec 2023
Average annualised rate of return of investors*:			
Classic Notice Account	5.08%	5.17%	4.99%
90 Day Notice Account	5.39%	5.45%	5.28%
6 Month Notice Account	5.63%	5.70%	5.54%
12 Month Term Account	6.74%	6.71%	6.35%
2 Year Account	6.83%	6.80%	6.45%
4 Year Account	8.38%	8.30%	8.04%
Select Investment Account	8.20%	8.41%	8.16%
Number of investors	107,798	101,462	96,506

* Based on a nominal dollar invested into the Fund for the six month periods ended 31 December 2024, 30 June 2024 and 31 December 2023 with no reinvestment. For the above purposes, the rate of return for the Select Investment Account is reflective of all applicable investments in the Select Investment account collectively. The above measure of average rate of return is only a measure of a nominal dollar in the relevant investment account of the Fund and may not be indicative of an individual investment. No guarantee can be given that future performance will be as reflected by data of past performance.

Directors' Report

Funds Under Management statistics	6 months to 31 Dec 2024 \$'000	6 months to 30 Jun 2024 \$'000	6 months to 31 Dec 2023 \$'000
Investors' interest distribution paid or payable in respect of each Fund investment account:			
Classic Notice Account	30,919	26,789	22,127
90 Day Notice Account	7,710	7,648	7,613
6 Month Notice Account	3,883	3,837	3,457
12 Month Term Account	300,554	265,021	240,318
2 Year Account	3,667	3,086	2,758
4 Year Account	24,677	20,339	16,826
Select Investment Account	12,699	13,026	11,467
Total investors' interest distribution paid and payable	384,109	339,746	304,566

The level of applications and redemptions vary by investment account, reflecting the different purpose and notice periods for each, as outlined in the PDS.

Funds Under Management statistics	1 Jul 2024 Opening balance \$'000	Applications \$'000	Redemptions \$'000	31 Dec 2024 Closing balance \$'000
Classic Notice Account	1,064,068	733,483	(565,961)	1,231,590
90 Day Notice Account	299,335	45,277	(60,769)	283,843
6 Month Notice Account	135,641	44,404	(40,693)	139,352
12 Month Term Account	8,298,639	1,824,900	(718,551)	9,404,988
2 Year Account	94,065	23,652	(3,354)	114,363
4 Year Account	536,960	112,206	(18,022)	631,144
Select Investment Account	292,234	173,339	(161,383)	304,190
Total Funds Under Management (FUM)	10,720,942	2,957,261	(1,568,733)	12,109,470

Directors' Report

The performance of the Fund in relation to Assets Under Management was as follows:

Assets Under Management Statistics	Dec 2024 \$'000	Jun 2024 \$'000	Dec 2023 \$'000
Mortgage Investments	11,396,005	9,940,420	9,192,440
Notes and other Investments	449,958	495,071	422,640
Cash	498,295	491,409	287,857
Borrower receivables and accruals	32,723	27,107	29,778
Total Assets Under Management (AUM)	12,376,981	10,954,007	9,932,715
Assets Under Management growth rate	13.0%	10.3%	6.1%
Total number of mortgage investments	12,237	10,718	11,192
Average mortgage loan size	\$931,274	\$927,451	\$821,340
Range of mortgage loan sizes	\$100 – \$28,958,000	\$100 – \$25,000,000	\$100 – \$25,000,000
Weighted average loan to valuation ratio	64.8%	61.6%	62.3%
Total amount in arrears as % of total loan balance	0.45%	0.45%	0.46%
Total income on mortgages, notes, other credit assets and cash for the 6 month period (\$'000)	492,920	436,932	405,214

Geographical exposures

The Fund operates within Australia.

Mortgage investments under management by state or territory of Australia as at 31 December 2024:

State or territory	No. of Loans	Avg. LVR	Outstanding Principal \$'000	% of Total Outstanding Principal
ACT	133	66.7%	90,285	0.8%
NSW	3,379	63.9%	4,883,210	42.9%
VIC	4,473	65.3%	3,987,048	35.0%
QLD	2,850	65.5%	1,722,308	15.1%
SA	562	66.5%	314,570	2.8%
WA	678	65.3%	334,552	2.9%
TAS	127	65.2%	51,570	0.4%
NT	35	70.5%	12,462	0.1%
Total Mortgage Investments	12,237		11,396,005	100.0%

Investors have access to monthly Fund metrics updated at latrobefinancial.com.au.

Directors' Report

Mortgage investments under management by state or territory of Australia as at 30 June 2024:

State or territory	No. of Loans	Avg. LVR	Outstanding Principal \$'000	% of Total Outstanding Principal
ACT	114	67.1%	78,702	0.8%
NSW	2,951	63.1%	4,385,819	44.1%
VIC	3,917	64.3%	3,437,647	34.6%
QLD	2,509	65.4%	1,453,727	14.6%
SA	491	65.2%	258,114	2.6%
WA	596	65.1%	267,438	2.7%
TAS	109	65.1%	48,370	0.5%
NT	31	67.5%	10,603	0.1%
Total Mortgage Investments	10,718		9,940,420	100.0%

Events subsequent to balance date

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

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

Environmental regulations

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

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Directors' Report

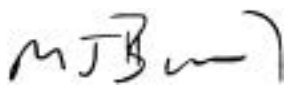
Rounding of amounts

The Fund is of a kind referred to in ASIC *Corporations Instrument 2016/191*, relating to the "rounding off" of amounts. Amounts in the Directors' Report and financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

Ernst & Young (EY) was the auditor for the half year ended 31 December 2024. The Auditor's Independence Declaration is set out on the following page and forms part of this Directors' Report.

This report is made in accordance with a resolution of the Directors of La Trobe Financial Asset Management Limited.



Martin Barry

Chief Financial Officer & Director
La Trobe Financial Asset Management Limited
Fund Responsible Entity

Melbourne
17 February 2025

Auditor's Independence Declaration



Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's independence declaration to the directors of La Trobe Financial Asset Management Limited

As lead auditor for the review of the half-year financial report of La Trobe Australian Credit Fund for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

Ernst & Young

John MacDonald
Partner
17 February 2025

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Liability limited by a scheme approved under Professional Standards Legislation

Balance Sheet

As at 31 December 2024

	Note	Dec 2024 \$'000	Jun 2024 \$'000
Assets			
Investments			
Cash		498,295	491,409
Notes and other credit assets		452,227	497,167
Mortgage investments		11,375,772	9,926,727
Total Investments	5	12,326,294	10,915,303
Other assets			
Borrower receivables		40,678	29,874
Interest receivables		2,687	2,216
GST receivable		7,322	6,614
Total other assets		50,687	38,704
Total assets		12,376,981	10,954,007
Liabilities			
Accounts payable		108,021	99,064
Investor and borrower funds payable		159,490	134,001
Total liabilities (excluding investors' funds)		267,511	233,065
Net assets	6	12,109,470	10,720,942
<i>Represented by each Fund investment account:</i>			
Classic Notice Account		1,231,590	1,064,068
90 Day Notice Account		283,843	299,335
6 Month Notice Account		139,352	135,641
12 Month Term Account		9,404,988	8,298,639
2 Year Account		114,363	94,065
4 Year Account		631,144	536,960
Select Investment Account		304,190	292,234
Total investors' funds	6	12,109,470	10,720,942

The above Balance Sheet should be read in conjunction with the accompanying notes.

Income Statement

For the half year ended 31 December 2024

	Note	Dec 2024 \$'000	Dec 2023 \$'000
Revenue			
Interest on authorised investments			
– Cash		8,168	6,147
– Notes and other credit assets		20,201	15,295
– Mortgage investments		464,551	383,772
Application and servicing fees		27,242	21,109
Total revenue		520,162	426,323
Operating expenses			
Responsible entity fees			
– Investment management fees		85,586	81,446
– Referral fees to third parties		25,701	21,790
Borrower and other fees		18,340	17,103
Bad and doubtful debts charge	5(d)	6,417	1,411
Other expenses		9	7
Total operating expenses		136,053	121,757
Interest distribution			
Classic Notice Account		30,919	22,127
90 Day Notice Account		7,710	7,613
6 Month Notice Account		3,883	3,457
12 Month Term Account		300,554	240,318
2 Year Account		3,667	2,758
4 Year Account		24,677	16,826
Select Investment Account		12,699	11,467
Total interest distribution		384,109	304,566
Profit for the half year		-	-

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Equity Adjustments

For the half year ended 31 December 2024

	Dec 2024 \$'000	Dec 2023 \$'000
Profit for the half year	-	-
Direct equity adjustments	-	-
Profit plus direct equity adjustments	-	-

Under Accounting Standards, net assets attributable to investors are classified as a liability, rather than equity. As a result, there was no equity at the start or end of the half year.

The above Statement Of Equity Adjustments should be read in conjunction with the accompanying notes.

Statement Of Changes In Equity

For the half year ended 31 December 2024

	Dec 2024 \$'000	Dec 2023 \$'000
Total equity		
- at the start of the half year	-	-
- profit plus direct equity adjustments	-	-
- transactions with owners	-	-
Total equity at the end of the half year	-	-

Under Accounting Standards, net assets attributable to investors are classified as a liability rather than equity. As a result, there was no equity at the start or end of the half year.

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

Cash Flow Statement

For the half year ended 31 December 2024

	Dec 2024 \$'000	Dec 2023 \$'000
Cash flows from operating activities		
Net increase / (decrease) in investor funds	1,019,865	246,821
Net (increase) / decrease in mortgage investments	(1,464,038)	(608,488)
Net (increase) / decrease in notes and other credit assets	72,940	57,519
Borrower interest repayments	476,554	393,915
Interest received on cash	7,698	5,309
Interest received on notes and other investments	20,201	15,295
Investment management fees received on mortgage investments	6,126	1,514
Application and servicing fees received	76,143	68,504
Responsible entity fees:		
– paid to Investment Manager	(114,170)	(82,658)
– paid as referral fees to third parties	(76,957)	(67,527)
Borrower and other fees paid	(17,467)	(24,417)
Other operating expenses	(9)	(7)
Net cash inflow/(outflow) from operating activities	6,886	5,780
Net increase/(decrease) in cash	6,886	5,780
Cash held at the start of the half year	491,409	282,077
Cash at the end of the half year	498,295	287,857

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



Notes to the Financial Statements

Note 1 – General information

These financial statements cover the La Trobe Australian Credit Fund (**the Fund**) as an individual reporting entity.

The Fund is domiciled and registered in Australia and these financial statements are presented in Australian dollars, which is the Fund's functional currency. The Responsible Entity of the Fund is La Trobe Financial Asset Management Limited (**La Trobe Financial**). The registered office of La Trobe Financial is Level 25, 333 Collins Street, Melbourne, Victoria, Australia 3000. The Investment Manager for the Fund is La Trobe Financial Services Pty Limited.

As described in the Fund's Product Disclosure Statement (**PDS**), the Fund operates with seven investment accounts for retail investors:

- Classic Notice Account;
- 90 Day Notice Account;
- 6 Month Notice Account;
- 12 Month Term Account;
- 2 Year Account;
- 4 Year Account; and
- Select Investment Account.

The Fund is considered a for-profit entity for the purpose of these financial statements.

Note 2 – Basis of preparation

This is a general purpose financial report that has been prepared in accordance with Accounting Standards, including AASB 134 *Interim Financial Reporting*, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*. Unless otherwise stated, the financial statements have been prepared under the historical cost convention and the accounting policies adopted are consistent with those applied and outlined in the Fund's Annual Report for the year ended 30 June 2024. Assets and liabilities have been presented in order of liquidity, providing reliable and more relevant information, due to the nature of activities of the Fund.

These financial statements has been prepared using 'plain English' phrases in lieu of AASB terminology and a separate Income Statement retained as permitted by AASB 101 *Presentation of Financial Statements* in order to improve the transparency of the financial statements. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Balance sheet	Statement of financial position
Cash flow statement	Statement of cash flows
Direct equity adjustments	Other comprehensive income
Profit plus direct equity adjustments	Total comprehensive income
Interest distribution	Distribution to investors
Bad and doubtful debts	Expected credit loss (ECL)
Key executives	Key management personnel

Compliance with Australian and International Accounting Standards

The financial statements of the Fund comply with applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) and International Financial Reporting Standard (**IFRS**) issued by the International Accounting Standards Board (**IASB**).

Summary of material accounting policies

All aspects of the Fund's material accounting policies are consistent with that disclosed in the Annual Report for the year ended 30 June 2024.

Note 3 – Impact of new accounting standards

AASB 18 *Presentation and Disclosure in Financial Statements* (effective for annual reporting periods beginning on or after 1 January 2027).

AASB 18 introduces several new requirements that will impact the presentation and disclosure of the Fund. These include:

- the requirement to classify all income and expenses into three defined categories - operating, investing and financing - to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit. The improved structure and new subtotals will give investors a consistent starting point for analysing performance and make it easier to compare entities.
- enhanced guidance on the aggregation, location and labelling of items across the primary financial statements and the notes.
- mandatory disclosures about management-defined performance measures.

AASB 18 has not been early adopted in preparing these financial statements, and will have an impact on presentation and disclosure only.

Note 4 – Critical accounting estimates and judgements

(a) Critical accounting estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on various factors, including expectations of future events, which management believes to be reasonable under the circumstances.

The significant accounting estimates and assumptions made by the Responsible Entity in applying the Fund's accounting policies and the key sources of estimation are substantially similar to those applied to the Annual Report for the year ended 30 June 2024, as summarised below.

Effective interest rates adjustments

As identified in Accounting Policy 3 of Note 3 (Income and expenses on mortgages) of the Fund's Annual Report for the year ended 30 June 2024, certain fee income is recognised over the estimated effective life span of mortgage investments. For the investment accounts, these are determined based on the nature of mortgage investments, as being 30% (30 June 2023: 26%) of mortgage investments have been allocated an effective life span of 10 months (30 June 2023: 10 months) while 70% (30 June 2023: 74%) of mortgage investments have been allocated an effective life span of 3.1 years (30 June 2023: 3.9 years).

Provisioning – mortgage investments

In applying Accounting Policy 1.4 of Note 3 (Provisioning – Mortgage Investments) as per the Fund's Annual Report for the year ended 30 June 2024, La Trobe Financial uses a model to determine the provision requirements for mortgage investments. The model, which was independently developed, is based on multiple scenarios at the time of assessment, uses mortgage investment characteristics (such as arrears ageing and borrower credit history), and current and future economic variables (such as official cash rates, unemployment rates, lending indicators and property prices) to determine a collective provision for investments that are not specifically impaired. The financial model methodology involves estimating the likelihood that shortfalls will occur (including "probability of default" and "exposure at default" as defined by the AASB) and the projected amount of the shortfalls ("loss given default" as defined by the AASB). Each scenario is probability weighted in terms of likelihood of outcome as determined by La Trobe Financial.

The AASB terms represent the following:

- Probability of default - the likelihood that the underlying borrower will default resulting in recovery action taken by La Trobe Financial in relation to the mortgage investment, such as issuing default notices, taking possession and realising the security, over a given time horizon.
- Exposure at default - an estimate of the future mortgage investment balance at a future default date, taking into account expected changes in the current investment balance, such as redraws, interest charges and further advances after balance date.
- Loss given default - an estimate of the shortfall arising where a default occurs at a given time. It is based on the difference between the mortgage investment balance and the estimate of the net foreclosure proceeds.

(b) Critical judgements in applying the entity's accounting policies

The financial model for provisioning of mortgage investments is dependent upon historic loss experience (which may have occurred in a different economic environment). As required by AASB 9, La Trobe Financial has assessed the need for an additional "economic overlay" provision in the Fund to ensure provisioning is reflective of the expected future economic conditions and outcomes.

The economic overlay provision is based on multiple scenarios at the time of assessment as to future economic conditions which are then probability weighted in terms of likelihood of outcome as determined by La Trobe Financial.

Note 5 – Investments

	Note	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Cash		498,295	491,409
Notes and other credit assets – at amortised cost	5(a)	452,227	497,167
Mortgage investments – at amortised cost	5(b)	11,409,634	9,954,517
Less: provision for mortgage investments impairments	5(c)	(33,862)	(27,790)
Mortgage investments – balance as presented in the balance sheet		11,375,772	9,926,727
Total investments		12,326,294	10,915,303

a) Notes and other credit assets

Notes and other credit assets comprise outstanding principal and effective interest rate adjustments (including any accrued interest) as follows:

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Outstanding principal recognised	449,958	495,071
Effective interest rate adjustments	2,269	2,096
Notes and other credit assets – at amortised cost	452,227	497,167

ECL has been assessed as immaterial and therefore not recognised in the financial statements of the Fund at 31 December 2024 (30 June 2024: nil).

At 31 December 2024, other credit assets of the Fund include the following arm's length related party loans:

- a loan to La Trobe Asset Investments Pty Ltd (**LFAI**), to enable LFAI to invest into the La Trobe US Private Credit Fund (**USPC**). The principal outstanding at 31 December 2024 was \$130,179,727.
- a loan to La Trobe Financial Securitisation Services Second Pty Limited (**LSSS**), with an amount outstanding at 31 December 2024, of \$44,226,613. The loan proceeds are used to subscribe for Residential Mortgage Backed Securities (**RMBS**) notes.
- a loan to La Trobe Capital Holdings Pty Limited (**LCH**), with an amount outstanding at 31 December 2024, of \$20,130,000. The loan proceeds are used to subscribe for Mezzanine Notes issued by related Institutional Warehouse facilities.

All interest earned on these loans were on arm's length terms.

(b) Mortgage investments

Mortgage investments comprise outstanding principal and effective interest rate adjustments (including accrued interest) as follows:

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Outstanding principal	11,396,005	9,940,420
Effective interest rate adjustments	13,629	14,097
Mortgage investments – at amortised cost	11,409,634	9,954,517

(c) Provision for mortgage impairments

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Opening balance	27,790	19,871
Mortgage investments written off	(295)	(571)
New and increased provisions (net of releases)	6,367	8,490
Closing balance	33,862	27,790

The provision is allocated between investment accounts as follows:

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Classic Notice Account	4,874	4,936
90 Day Notice Account	944	2,309
6 Month Notice Account	306	230
12 Month Term Account	25,824	18,861
2 Year Account	569	221
4 Year Account	336	170
Select Investment Account	1,009	1,063
Total provision for mortgage impairments	33,862	27,790

	Performing \$'000	Early Arrears \$'000	Default \$'000	Specific Impaired \$'000	Total \$'000
Opening balance	3,537	3,792	13,633	6,828	27,790
Transferred to Performing	53	(53)	-	-	-
Transferred to Early Arrears	(3,465)	3,465	-	-	-
Transferred to Default	(1,773)	(3,082)	4,855	-	-
Transferred to Specific impaired	(2)	(24)	(271)	297	-
New and increased provisions (net of releases)	6,174	4,192	(6,296)	2,002	6,072
Closing balance	4,524	8,290	11,921	9,127	33,862

Impairment of a mortgage investment occurs in accordance with the Fund's Mortgage Investment Impairment Policy as outlined in Accounting Policy 1.4 of Note 3 of the Fund's Annual Report for the year ended 30 June 2024.

The net increase in the total provisions for mortgage impairments during the half year is reflective of La Trobe Financial's prudent approach to mitigate against any increase in credit risk as a result of current and potential future volatility within the economy, including any interest rate and property valuation movements.

(d) Bad and doubtful debts charge/(release)

	6 months to 31 Dec 2024 \$'000	6 months to 31 Dec 2023 \$'000
Mortgage Investments write off	295	375
Recoveries on amounts previously written off	(3)	(108)
Charge/(release) from the Select Investment Account	53	(588)
Charge/(release) to the provision	6,072	1,732
Bad and doubtful debts	6,417	1,411

Bad and doubtful debts comprise the movement in the provision for mortgage investments and the actual crystallised shortfall on mortgage investments offset by recoveries received in relation to mortgages previously discharged with a shortfall. For an individual mortgage investment, the crystallised shortfall may differ from the initial impairment as the amounts received from disposal of securities may differ from valuations, which are used in the provision estimate.

From time to time, the Investment Manager and investors may temporarily fund costs associated with a mortgage (including possession costs and legal action costs). This is referred to as expenses working capital. The amounts due are generally not paid until the conclusion of legal action or disposal of the mortgage security.

Note 6 – Investors' funds

The Responsible Entity manages investors' funds as working capital, notwithstanding investors' funds are classified as a liability under AASB 132.

The different categories in aggregate are referred to as funds under management when referring to the funds contributed by investors and are analysed as follows:

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Classic Notice Account	1,231,590	1,064,068
90 Day Notice Account	283,843	299,335
6 Month Notice Account	139,352	135,641
12 Month Term Account	9,404,988	8,298,639
2 Year Account	114,363	94,065
4 Year Account	631,144	536,960
Select Investment Account	304,190	292,234
Total investors' funds	12,109,470	10,720,942

Note 7 – Financial risk management

All aspects of the Fund's financial risk management objectives and policies are consistent with that disclosed in the Fund's Annual Report for the year ended 30 June 2024.

Note 8 – Contingencies and commitments

La Trobe Financial Asset Management Limited has commenced voluntary engagement with the Australian Taxation Office (ATO) in relation to a potential historical taxation matter. As at the date of this report, the timing and outcome of this matter cannot be determined with any certainty, therefore no allowance or reference to potential outcomes have been made in the financial statements of the Fund.

Other than the above matter, the Fund had no contingent liabilities or contingent assets as at 31 December 2024.

Note 9 – Events subsequent to balance date

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

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

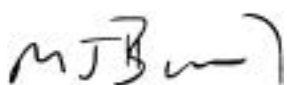
Directors' Declaration

In the opinion of the Directors' of the Responsible Entity:

- (a) the financial statements and notes set out on pages 15 to 25 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the La Trobe Australian Credit Fund's financial position as at 31 December 2024 and of its performance as represented by the results of its operations, changes in equity and its cash flows, for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the La Trobe Australian Credit Fund will be able to pay its debts as and when they become due and payable.

Note 2 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors of the Responsible Entity.



Martin Barry

Chief Financial Officer & Director
La Trobe Financial Asset Management Limited
Fund Responsible Entity

Melbourne
17 February 2025

Auditor's Review Report



Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's review report to the members of La Trobe Australian Credit Fund

Conclusion

We have reviewed the accompanying half-year financial report of La Trobe Australian Credit Fund (the Fund), which comprises the balance sheet as at 31 December 2024, the income statement, the statement of equity adjustments, the statement of changes in equity and the cash flow statement for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Fund's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of La Trobe Financial Asset Management Limited (the Responsible Entity) are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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Auditor's Review Report



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

A handwritten signature in black ink, appearing to read 'John MacDonald', is written over a horizontal line.

John MacDonald
Partner
Melbourne
17 February 2025

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