MACQUARIE CORPORATE BOND FUND

ARSN 087 391 311

ANNUAL FINANCIAL REPORT - 31 DECEMBER 2024

Responsible Entity
Macquarie Investment Management Australia Limited
Level 1, 1 Elizabeth Street
Sydney, NSW 2000
ABN 55 092 552 611

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This financial report covers Macquarie Corporate Bond Fund as an individual entity.

The Responsible Entity of Macquarie Corporate Bond Fund is Macquarie Investment Management Australia Limited (ABN 55 092 552 611). The Responsible Entity's registered office is Level 1, 1 Elizabeth Street, Sydney, NSW 2000.

Directors' Report
31 December 2024

The directors of Macquarie Investment Management Australia Limited ("MIMAL" or the "Responsible Entity"), a wholly owned subsidiary of Macquarie Group Limited and the Responsible Entity of Macquarie Corporate Bond Fund (the "Trust"), present their report together with the financial report of the Trust for the financial year ended 31 December 2024.

Principal activities

The principal activity of the Trust is to invest in debt securities and derivatives in accordance with its Constitution.

There were no significant changes in the nature of the Trust's activities during the financial year.

Directors

The following persons held office as directors of MIMAL during the year ended 31 December 2024 or since the end of the financial year and up to the date of this report:

C Berger
K Gray
V Malley
G Stephens
B Terry

Review and results of operations

During the year, the Trust was managed in accordance with the investment objective and strategy set out in the Trust's offer document and in accordance with its Constitution.

The performance of the Trust, as represented by the results of its operations, was as follows:

	2024	2023
Operating profit/(loss) ($'000)	19,617	22,487
Distributions paid or payable ($'000)		
Class A	17,586	15,167
Class E	9	9
Class G	620	658
Class H	1,229	1,019
Class O	39	27
Class R	114	102
Distribution per unit (in cents)		
Class A	5.64	3.92
Class E	4.82	3.39
Class G	5.42	3.77
Class H	5.30	3.70
Class O	5.38	3.73
Class R	5.25	3.65

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Trust that occurred during the financial year under review.

Matters subsequent to the end of the financial year

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

(i) the operations of the Trust in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) the state of affairs of the Trust in future financial years.

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objective and strategy set out in the Trust’s offer document and in accordance with its Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Directors' Report
31 December 2024

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Trust. Under the Trust's Constitution, the Responsible Entity of the Trust is entitled to be indemnified out of the assets of the Trust for any liability incurred by it in properly performing its duties or exercising any of its powers in relation to the Trust.

Fees paid to and units held in the Trust by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Trust property during the year are disclosed in Note 8 of the financial statements.

No fees were paid out of the Trust property to the directors of the Responsible Entity during the year (2023: Nil).

The number of units in the Trust held by the Responsible Entity, its directors or its associates as at the end of the year are disclosed in Note 8 of the financial statements.

Units in the Trust

The movement in units of the Trust during the year is disclosed in Note 6 of the financial statements.

The value of the Trust's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in Note 2 of the financial statements.

Environmental regulations

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

Rounding of amounts

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

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3 following this report.

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

Director: B Terry

Sydney

25 March 2025

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of Macquarie Investment Management Australia Limited

As lead auditor for the audit of the financial report of Macquarie Corporate Bond Fund for the financial 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 audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Darren J Handley-Greaves.
Partner
25 March 2025

MACQUARIE CORPORATE BOND FUND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 $'000	2023 $'000
INCOME/(LOSS)			
Interest income from financial assets measured at amortised cost		891	1,742
Interest income from financial assets measured at fair value through profit or loss		19,642	19,787
Net foreign exchange gains/(losses)		120	(284)
Net changes in the fair value of financial instruments measured at fair value through profit or loss		1,005	3,815
Total income/(loss)		21,658	25,060
EXPENSES			
Management fees	8(e)	(1,908)	(2,391)
Custody fees		(133)	(182)
Total expenses		(2,041)	(2,573)
Operating profit/(loss)		19,617	22,487
Finance costs attributable to unitholders			
Distributions to unitholders		(19,597)	(16,982)
(Increase)/decrease in net assets attributable to unitholders	6	(20)	(5,505)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO UNITHOLDERS		-	-
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO UNITHOLDERS		-	-

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

MACQUARIE CORPORATE BOND FUND

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Cash and cash equivalents	7(a)	15,136	14,278
Broker deposits		1,423	-
Receivables	4	321	439
Financial assets measured at fair value through profit or loss			
Debt securities		319,623	365,726
Derivative financial instruments		5,257	11,379
TOTAL ASSETS		341,760	391,822
LIABILITIES			
Broker advances		-	4,580
Payables	5	302	748
Distributions payable		1,338	1,430
Financial liabilities measured at fair value through profit or loss			
Derivative financial instruments		1,629	3,003
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		3,269	9,761
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY	6	338,491	382,061

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 $'000	2023 $'000
Total equity at the beginning of the year	-	-
Total comprehensive income/(loss) for the year	-	-
Total transactions with unitholders in their capacity as owners	-	-
Total equity at the end of the year	-	-

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities:			
Proceeds from sales of financial instruments measured at fair value through profit or loss*		172,955	256,857
Payments for purchases of financial instruments measured at fair value through profit or loss*		(121,099)	(122,838)
Broker deposits received/(advanced)		(6,003)	5,912
Interest/coupons received		20,514	21,429
Management fees paid		(1,924)	(2,443)
Custody fees paid		(133)	(182)
Net cash inflow/(outflow) from operating activities	7(b)	64,310	158,735
Cash flows from financing activities:			
Proceeds from applications by unitholders		64,120	47,166
Payments for redemptions to unitholders		(109,391)	(190,578)
Distributions paid to unitholders		(18,301)	(15,299)
Net cash inflow/(outflow) from financing activities		(63,572)	(158,711)
Net increase/(decrease) in cash and cash equivalents		738	24
Cash and cash equivalents at the beginning of the year		14,278	14,538
Effects of foreign currency exchange rate changes on cash and cash equivalents		120	(284)
Cash and cash equivalents at the end of the year	7(a)	15,136	14,278
Non-cash financing activities	7(c)	1,388	1,107

*The Trust invests in debt securities that may include investments with short term maturities. Consequently, investment turnover can be relatively frequent.

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

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 1: General Information

This financial report covers Macquarie Corporate Bond Fund (the "Trust") as an individual entity. The Trust was constituted on 24 October 1997. The Trust is a registered managed investment scheme domiciled in Australia. The Trust did not have any employees during the years ended 31 December 2024 and 31 December 2023. The financial report of the Trust is presented in Australian dollars, which is also the functional currency of the Trust.

The Responsible Entity of the Trust is Macquarie Investment Management Australia Limited ("MIMAL" or the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 1 Elizabeth Street, Sydney, NSW 2000.

The Investment Manager of the Trust is Macquarie Investment Management Global Limited ("MIMGL" or the "Investment Manager"). MIMGL delegated certain investment functions to Macquarie Investment Management Europe Limited ("MIMEL") and Macquarie Investment Management Advisers ("MIMA").

The Trust's Constitution allows the Attribution Managed Investment Trust ("AMIT") tax regime to apply to the Trust. The Trust met the AMIT eligibility criteria for the tax years ended 30 June 2024 and 30 June 2023. As the Trust has six separate classes of units that are not identical, the Trust's units continues to be classified as a financial liability (see Note 2(d) and Note 6).

The Trust will continue to be managed in accordance with the investment objective and strategy set out in the Trust’s offer document and in accordance with its Constitution.

The financial statements of the Trust were authorised for issue by the directors on 25 March 2025. The directors of the Responsible Entity have the power to amend and reissue the financial report.

Note 2: Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated in this note.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The Trust is a for-profit trust for the purpose of preparing financial statements.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current items. All of the Trust's assets and liabilities are either held for trading or are expected to be realised within twelve months.

The Trust's financial assets and financial liabilities are held at fair value through profit or loss and are managed based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the Trust's portfolio will be realised within twelve months, however, an estimate of that amount cannot be reliably determined as at the reporting date.

Where necessary, comparative information has been reclassified to be consistent with current period disclosures.

Critical accounting estimates and significant judgements

The Responsible Entity makes estimates and assumptions, and uses judgements, to ensure that the reported amounts of assets and liabilities are in conformity with Australian Accounting Standards for the financial report. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the exchange traded financial instruments quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives and unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Models use observable data to the extent practicable. However, inputs such as credit risk (both own and counterparty), volatilities and correlations require the Responsible Entity to make estimates. Changes in assumptions about these inputs could affect the reported fair value of financial instruments.

For certain other financial instruments, including short-term receivables and payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 2: Summary of Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

New accounting standards and interpretations

There are no new accounting standards, amendments or interpretations that are effective for annual periods beginning on 1 January 2024 that have a material impact on the financial statements of the Trust. Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2024 reporting period as below:

- *AASB 18 Presentation and Disclosure in Financial Statements*

In June 2024, the Australian Accounting Standards Board issued AASB 18: Presentation and Disclosure in Financial Statements which sets out the requirements for the presentation and disclosure of information in general purpose financial statements. AASB 18 will replace AASB 101: Presentation of Financial Statements. AASB 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Responsible Entity is continuing to assess the full impact of adopting AASB 18.

Other developments

AASB sustainability reporting standards

During the year, the Australian Accounting Standards Board introduced the first set of Australian Sustainability Reporting Standards which are effective for annual reporting periods beginning on or after 1 January 2025.

- *AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information:* A voluntary standard that provides entities with a framework for disclosing sustainability-related financial information in a consistent and comparable manner.
- *AASB S2 Climate-related Disclosures:* A mandatory standard requiring entities to disclose detailed information about their governance, strategy, risk management, and metrics and targets related to climate-related risks and opportunities.

The Responsible Entity acknowledges the growing importance of sustainability-related disclosures and continues to assess the reporting obligations arising from these standards.

Compliance with International Financial Reporting Standards

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

(b) Financial instruments

(i) Classification

The Trust manages its investments on a fair value basis. All other assets and liabilities are carried at amortised cost. These are classified as below:

• *Financial assets held at fair value through profit or loss ("FVTPL")*

The Trust classifies its investments based on both the Trust's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Trust is primarily focussed on fair value information, and uses that information to assess the assets' performance and to make decisions in accordance with the Trust's documented investment strategy.

The Trust's investments in equity securities and unlisted unit trusts are measured at fair value through profit or loss. For any investment in debt securities, the contractual cash flows are solely principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Trust's business model's objective. Consequently, the debt securities are also measured at fair value through profit or loss.

In addition, the derivative financial instruments are measured at fair value through profit or loss. Derivative financial instruments are recognised as assets when their fair value is positive and as liabilities when their fair value is negative. The Trust does not designate any securities as hedges in a hedging relationship.

• *Financial assets held at amortised cost*

A financial asset is measured at amortised cost, if it is held within a business model whose objective is to hold to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that represent solely payment of principal and interest.

The Trust may hold short-term receivables at amortised cost.

• *Financial liabilities*

A financial liability is measured at FVTPL if it meets the definition of held for trading. Derivative contracts that have a negative fair value are also included in this category.

Financial liabilities, other than those measured at FVTPL, are measured at amortised cost. These may include short-term payables.

(ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date).

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 2: Summary of Material Accounting Policies (Continued)

(b) Financial instruments (continued)

(ii) Recognition/derecognition (continued)

Financial assets are derecognised when the right to receive cash flows from the investments has expired or when the Trust has disposed the investments and transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities is discharged, cancelled or has expired.

(iii) Measurement

• *Financial instruments held at FVTPL*

Financial assets and financial liabilities held at FVTPL are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial instruments held at FVTPL are expensed immediately in the statement of comprehensive income.

Subsequent to initial recognition, all financial instruments held at FVTPL are measured at fair value, with changes in their fair value recognised as net gains or losses on financial instruments held at fair value through profit or loss in the statement of comprehensive income.

*Fair value in an active marke*t

The fair value of financial instruments traded in active markets is based on their quoted market prices as at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current ask prices.

*Fair value in an inactive or unquoted marke*t

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reasonable estimate of the market prices.

Where discounted cash flow techniques are used, estimated future cash flows are based on the Responsible Entity's best estimates and discount rate at the reporting date applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data as at the reporting date. Fair values for unquoted equity investments are estimated, if possible, using applicable pricing/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivative financial instruments that are not exchange traded is estimated at the amount that the Trust would receive or pay to terminate the contract as at the reporting date taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such trusts.

Details on how the fair value of financial instruments is determined are disclosed in Note 9(e).

• *Financial instruments held at amortised cost*

Financial assets and liabilities, other than those classified as FVTPL, are initially measured at fair value adjusted by transaction costs and subsequently amortised using the effective interest rate ("EIR") method.

The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in the statement of comprehensive income over the life of a financial asset or a financial liability. The EIR is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where applicable, to the net carrying amount of the financial asset or liability.

• *Impairment*

The Expected Credit Loss ("ECL") requirements for the Trust apply to financial assets measured at amortised cost. The Trust applies a three-stage approach (Stage I - 12 month ECL, Stage II - Lifetime ECL not credit impaired and Stage III - Lifetime ECL credit impaired) to measure ECL based on changes in the financial asset's underlying credit risk and includes forward-looking and macro-economic information. The 12 month ECL is the portion of lifetime ECL that results from default events that are possible within the 12 months after the reporting date. ECL is modelled as the product of the probability of default, the loss given default and the exposure at default.

(iv) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the financial asset and settle the financial liability simultaneously.

(c) Repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Trust retains substantially all the risks and rewards of ownership.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 2: Summary of Material Accounting Policies (Continued)

(c) Repurchase agreements (continued)

Under repurchase agreements, the Trust sells securities that it holds with an agreement to repurchase the same security at an agreed upon price and date. Amounts received from sold securities under repurchase agreements are reflected as a financial liability. Interest payments are recorded as a component of interest expense. The Trust may receive a fee for the use of the security by the counterparty, which may result in interest income to the Trust.

A repurchase agreement involves the risk that the market value of the security sold by the Trust may decline below the repurchase price of the security. The Trust segregates assets determined to be liquid or otherwise to cover their obligations under repurchase agreements.

(d) Net assets attributable to unitholders

Units are redeemable at the unitholders' option based on the redemption price, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) as at the reporting date if unitholders exercised their right to redeem their units.

As the Trust has six separate classes of units that are not identical, the Trust’s units do not satisfy criteria (ii) below for classification of units as equity. Hence, the Trust's units continues to be classified as a financial liability.

Under *AASB 132 Financial instruments: Presentation*, puttable financial instruments are classified as equity when they satisfy all of the following criteria:

(i) the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Trust’s liquidation;

(ii) the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;

(iii) the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Trust, and it is not a contract settled in the Trust’s own equity instruments; and

(iv) the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss of the Trust over the life of the instrument.

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash includes cash on hand and deposits held at call with financial institutions. Cash equivalents include other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Bank overdrafts, if any, are considered as cash and cash equivalents. However, these are disclosed under liabilities on the statement of financial position.

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

(f) Cash collateral receivable/payable

Cash collateral receivable/payable comprises cash paid/received as collateral for over-the-counter derivative transactions and is receivable from/payable to the counterparty.

(g) Margin accounts

Margin accounts comprise cash held with brokers for derivative transactions. The cash is only available to meet margin calls.

(h) Income

The Trust may have the following income which are recognised as below:

• Interest income is recognised in the statement of comprehensive income using the EIR method for all financial instruments that are not held at fair value through profit or loss. Interest income on assets held at FVTPL is separately disclosed in the statement of comprehensive income.

• Distribution income is received from the underlying unit trusts. This is recognised when the right to receive payment is established.

• Dividend income is recognised on the ex-dividend date, when the right to receive payment is established, with any related withholding tax recorded separately as an expense in the statement of comprehensive income. Any portion of withholding tax, which is reclaimable, is disclosed net of withholding tax expense in the statement of comprehensive income and recognised under other receivables in the statement of financial position.

• Fee rebates from the Responsible Entity are recognised in the statement of comprehensive income on an accruals basis.

• Gains or losses arising from changes in fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b).

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 2: Summary of Material Accounting Policies (Continued)

(i) Expenses

All expenses, including management fees and performance fees, as applicable, are recognised in the statement of comprehensive income on an accruals basis.

(j) Income tax

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

Financial instruments held at FVTPL may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be attributed to unitholders so that the Trust is not subject to capital gains tax.

Realised capital losses are not attributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The Trust may incur withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax, and withholding tax is recognised as an expense in the statement of comprehensive income.

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

(k) Distributions to unitholders

In accordance with the Trust's Constitution, distributions to unitholders are determined by the Responsible Entity of the Trust. The Responsible Entity attributes the Trust's income to unitholders on a fair and reasonable basis, however, the Responsible Entity does not have a requirement under the Trust's Constitution to distribute the Trust's income to unitholders. The distributions to unitholders in the form of cash or reinvestments, are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(l) Movement in net assets attributable to unitholders

Income and expenses that are not included in distributable income and not attributed to unitholders are included in net assets attributable to unitholders. Unrealised gains and losses on financial instruments are included in net assets attributable to unitholders as they are not distributed to unitholders until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(m) Foreign currency translation

(i) Functional and presentation currency

Items included in the Trust's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Trust competes for funds and is regulated. The Australian dollar is also the Trust's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations as at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Trust does not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at FVTPL and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments held at FVTPL.

(n) Due from/to underlying unit trusts

Amounts due from/to underlying unit trusts may include outstanding redemption proceeds receivable from and application money payable to the underlying unit trusts. The amounts are recognised as receivable/payable once the redemption/application notice has been made by the Trust to the underlying unit trusts and is recognised at the fair value of the underlying unit trusts at the date of redemption/application.

(o) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not delivered as at the reporting date.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 2: Summary of Material Accounting Policies (Continued)

(p) Receivables

Receivables include assets and accrued income owing to the Trust which have not been received as at the reporting date. Amounts are generally received within 30 days of being recorded as receivables.

• Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 2(h). Interest receivable on assets held at FVTPL is included as part of the financial assets held at fair value through profit or loss in the statement of financial position.

• Distribution income and dividend income are accrued when the right to receive payment is established.

• Fee rebates receivable from the Responsible Entity is recognised in the statement of financial position on an accruals basis.

(q) Payables

Payables may include liabilities and accrued expenses owing by the Trust which are unpaid as at the reporting date.

The amount payable to unitholders towards redemption of units and distributions as at the reporting date is recognised separately in the statement of financial position.

The withholding tax payable as at the reporting date is recognised separately in the statement of financial position as under certain circumstances tax is withheld from distributions to unitholders in accordance with applicable legislation.

(r) Applications and redemptions

Applications received for units in the Trust are recorded net of entry fees, if any, payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of exit fees, if any, payable after the cancellation of units redeemed.

(s) Goods and Services Tax ("GST")

Income, expenses and assets are recognised net of the amount of GST to the extent that GST is payable to or recoverable from the Australian Taxation Office ("ATO"). The Trust is eligible to claim Reduced Input Tax Credit ("RITC") in relation to certain expenses. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are recognised inclusive of GST. GST recoverable from or payable to the ATO is recorded as receivables or payables in the statement of financial position.

Cash flows relating to GST, recoverable from, or payable to, the ATO are included as cash flows from operating activities and are disclosed in the statement of cash flows on a gross basis.

(t) Rounding of amounts

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

Notes to the Financial Statements
For the Year Ended 31 December 2024

	2024 $	2023 $
Note 3: Auditor's Remuneration		
Amounts paid or payable to Ernst & Young, the auditor of the Trust, for:		
Audit of the Financial Statements of the Trust	17,135	16,321
Other services - audit of compliance plan	1,575	1,500
	18,710	17,821

For further details of expenses incurred by the Responsible Entity and the Trust, refer to Note 8(e).

	2024 $'000	2023 $'000
Note 4: Receivables		
Interest receivable	272	253
RITC receivable	37	43
Applications receivable*	12	143
	321	439

*Applications receivable represent contributions held in an applications trust account by the Responsible Entity, which have not yet been received by the Trust.

	2024 $'000	2023 $'000
Note 5: Payables		
Management fees payable	155	177
Redemptions payable	147	571
	302	748

Note 6: Net Assets Attributable to Unitholders

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

	2024 No'000	2023 No'000	2024 $'000	2023 $'000
Opening balance	381,074	523,573	382,061	518,744
Applications	63,169	47,047	63,989	47,284
Redemptions	(108,194)	(190,663)	(108,967)	(190,579)
Units issued upon reinvestment of distributions	1,394	1,117	1,388	1,107
Increase/(decrease) in net assets attributable to unitholders from operations	-	-	20	5,505
Closing balance	337,443	381,074	338,491	382,061
Represented by:				
Class A				
Opening balance	337,871	467,041	340,788	465,316
Applications	62,133	45,441	62,987	45,746
Redemptions	(98,352)	(175,455)	(99,517)	(176,059)
Units issued upon reinvestment of distributions	1,057	844	1,068	848
Increase/(decrease) in net assets attributable to unitholders from operations	-	-	25	4,937
Closing balance	302,709	337,871	305,351	340,788

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 6: Net Assets Attributable to Unitholders (Continued)

	2024 No'000	2023 No'000	2024 $'000	2023 $'000
Class E				
Opening balance	210	394	182	339
Applications	-	2	1	1
Redemptions	(25)	(186)	(22)	(161)
Increase/(decrease) in net assets attributable to unitholders from operations	-	-	-	3
Closing balance	185	210	161	182
Class G				
Opening balance	13,896	22,021	13,462	21,060
Applications	662	847	645	819
Redemptions	(4,319)	(8,972)	(4,199)	(8,649)
Increase/(decrease) in net assets attributable to unitholders from operations	-	-	15	232
Closing balance	10,239	13,896	9,923	13,462
Class H				
Opening balance	25,877	30,122	24,593	28,313
Applications	222	672	212	638
Redemptions	(4,842)	(5,172)	(4,612)	(4,890)
Units issued upon reinvestment of distributions	320	255	305	242
Increase/(decrease) in net assets attributable to unitholders from operations	-	-	(22)	290
Closing balance	21,577	25,877	20,476	24,593
Class O				
Opening balance	727	722	697	683
Units issued upon reinvestment of distributions	8	5	7	5
Increase/(decrease) in net assets attributable to unitholders from operations	-	-	1	9
Closing balance	735	727	705	697
Class R				
Opening balance	2,493	3,273	2,339	3,033
Applications	152	85	144	80
Redemptions	(656)	(878)	(617)	(820)
Units issued upon reinvestment of distributions	9	13	8	12
Increase/(decrease) in net assets attributable to unitholders from operations	-	-	1	34
Closing balance	1,998	2,493	1,875	2,339

Capital risk management

The Trust manages its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Trust is subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the impact of applications and redemptions relative to the liquid assets in the Trust.

Notes to the Financial Statements
For the Year Ended 31 December 2024

	2024 $'000	2023 $'000
Note 7: Cash and Cash Equivalents		
(a) Components of cash and cash equivalents		
Cash at bank	15,136	14,278
	15,136	14,278
(b) Reconciliation of net profit/(loss) attributable to unitholders before finance costs to net cash inflow/(outflow) from operating activities		
Net profit/(loss) attributable to unitholders before finance costs	19,617	22,487
Proceeds from sales of financial instruments measured at fair value through profit or loss	172,955	256,857
Payments for purchases of financial instruments measured at fair value through profit or loss	(121,099)	(122,838)
Net changes in the fair value of financial instruments measured at fair value through profit or loss	(1,005)	(3,815)
Net foreign exchange (gains)/losses	(120)	284
Changes in assets and liabilities:		
Net change in broker deposits/(advances)	(6,003)	5,912
(Increase)/decrease in receivables	(13)	(90)
Increase/(decrease) in payables	(22)	(62)
Net cash inflow/(outflow) from operating activities	64,310	158,735
(c) Non-cash financing activities		
Distributions to unitholders reinvested	1,388	1,107

Note 8: Related Party Disclosures

(a) Responsible Entity

The Responsible Entity of the Trust is MIMAL, a wholly owned subsidiary of Macquarie Group Limited ("MGL").

(b) Investment Manager

The Investment Manager of the Trust is MIMGL, a wholly owned subsidiary of MGL.

(c) Key management personnel

Key management personnel services are provided by MIMAL. The following individuals comprise the key management personnel of the Trust and held office as directors of MIMAL during the years ended 31 December 2024 and 31 December 2023, unless indicated otherwise:

M Aubrey (resigned 01/10/2023)
C Berger
K Gray (appointed 01/10/2023)
V Malley (appointed 23/10/2023)
C Marull (resigned 03/03/2023)
G Stephens
B Terry

No amount is paid by the Trust directly to the directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 *Related Party Disclosures* is paid by the Trust to the directors as key management personnel.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 8: Related Party Disclosures (Continued)

(d) Investments

(i) Related party holdings of the Trust

The Trust held no investments in any scheme which is managed by MIMAL or other wholly owned subsidiaries of MGL (2023: Nil).

The Trust held investments in debt securities issued by the following entity which is also a related party of the Trust:

	Number of units		Fair value		Interest income	
	2024	2023	2024	2023	2024	2023
	No.	No.	$	$	$	$
Macquarie Bank Limited	3,500,000	4,350,000	3,546,387	4,403,918	202,201	260,434

There is no interest receivable from the above party as at 31 December 2024 (2023: Nil).

(ii) Related party investors in the Trust

Parties related to the Trust (including MIMAL, its affiliates and other schemes managed by MIMAL or other wholly owned subsidiaries of MGL) held no units in the Trust as at 31 December 2024 (2023: Nil).

(e) Responsible Entity fees and other transactions

In accordance with the Trust's Constitution, the Responsible Entity received fees for multiple classes of the Trust calculated on net asset value (inclusive of GST, net of RITC available to the Trust) per annum, for the financial year ended 31 December 2024 and 31 December 2023. The proportion of the GST on the fees that can be recovered by the Trust as RITCs or otherwise varies. The fee paid by the Trust will be equal to the rate disclosed in the Trust’s offer document (inclusive of GST, net of RITCs) regardless of the rate of GST recovery in any financial period.

The fee rate charged to the classes has been detailed in below table:

Class	2024	2023
	Fee Rate (%)	Fee Rate (%)
Class A	0.53	0.53
Class E	1.00	1.00
Class G	0.50	0.50
Class H	0.67	0.67
Class O	0.36	0.36
Class R	0.53	0.53

In addition to that, the Trust is charged an administration fees upto 0.04% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum for the year ended 31 December 2024 (2023: 0.03%).

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable as at the reporting date between the Trust and the Responsible Entity were as follows:

	2024	2023
	$	$
Management fees charged to the Trust by the Responsible Entity	1,907,620	2,390,805

(f) Key Management Personnel Unitholdings

No key management personnel held units in the Trust at any time during the year (2023: Nil).

(g) Key Management Personnel Loan Disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel of their personally related entities at any time during the year (2023: Nil).

(h) Other transactions within the Trust

From time to time, the Trust may purchase or sell securities from/to other schemes managed by the Responsible Entity or its affiliates at the prevailing market rates.

No directors of the Responsible Entity have entered into a material contract with the Trust in the current or previous year and there were no material contracts involving directors' interests subsisting at 31 December 2024 or 31 December 2023.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 8: Related Party Disclosures (Continued)

(h) Other transactions within the Trust (continued)

The Trust may use Macquarie Bank Limited or other wholly owned subsidiaries of MGL for broking and clearing services. Fees and expenses are negotiated on an arm's length basis for all transactions with related parties.

MIMGL delegated certain investment functions to MIMEL and MIMA, both wholly owned subsidiaries of MGL.

Note 9: Financial Risk Management

(a) Strategy in using financial instruments

The Trust's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Responsible Entity’s overall risk management programme focuses on ensuring compliance with the Trust's investment guidelines and seeks to maximise the returns derived for the level of risk to which the Trust is exposed.

Financial risk management is monitored by the Responsible Entity's risk management department under policies approved by the Responsible Entity's senior managers or by the Board of Directors of the Responsible Entity.

The Responsible Entity reviews any identified high and medium severity exceptions to internal risk policies and procedures on a quarterly basis.

The Trust may use derivative and other financial instruments:

- for trading purposes or in connection with its risk management activities;
- to gain market exposure for any cash in the portfolio;
- to gain or reduce the Trust's exposure to a particular security or index;
- to gain or reduce market exposure in the portfolio;
- for currency hedging or to take currency positions;
- to hedge the credit exposure within the portfolio; and
- to facilitate the settlement of investment transactions and to manage foreign exchange risk within the portfolio.

Derivatives are not used to gear (leverage) the portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceed the underlying value of the Trust.

(b) Credit risk

Credit risk is the risk of a counterparty failing to complete its contractual obligations when they fall due, causing a financial loss to the Trust.

The Trust’s exposure to credit risk arises from its investments in debt securities, cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and counterparties to derivatives. Application of the ECL has not resulted in any adjustment to the carrying value of these assets/recognition of the ECL allowance, as these assets are short-term in nature or of high quality, with no significant historical loss experience.

Credit risk may be managed by:

- managing the Trust's exposures to issuers, deposit taking institutions, brokers and other counterparties;
- using credit default swaps to manage credit exposure through limiting the aggregate long, short and net exposures permitted to such instruments by the Trust. For single issuer credit default swaps, exposures are also incorporated in existing Trust exposure limits by "looking-through" the contract to the underlying issuer-level exposure being provided;
- maintaining an approved broker and counterparty panel;
- ensuring over-the-counter derivatives are traded with appropriately rated counterparties; and
- transactions are generally undertaken with a number of counterparties to avoid a concentration of credit risk.

The maximum exposure to credit risk as at the reporting date is the carrying amount of financial assets.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 9: Financial Risk Management (Continued)

(b) Credit risk (continued)

The counterparties for cash and cash equivalents, deposits with banks and other financial institutions, and derivatives have an investment grade credit rating (2023: investment grade credit rating) as determined by Standard and Poor's or equivalent ratings from other credit rating agencies. An analysis of debt securities by credit rating is set out in the table below:

	31 December 2024	31 December 2023
	$'000	$'000
Debt securities		
S&P or equivalent long term ratings		
AAA to AA-	113,902	110,251
A+ to A-	97,950	92,722
BBB+ to BBB-	105,719	159,934
BB+ and Lower	-	2,819
Unrated	2,052	-
Total S&P or equivalent long term rated securities	319,623	365,726
Total debt securities	319,623	365,726

In accordance with the Trust's policy, the Responsible Entity's risk management department monitors the Trust's credit exposure on a daily basis.

(c) Liquidity risk

Liquidity risk is the risk that the Trust may encounter difficulty in meeting its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Trust is exposed to daily cash redemptions of redeemable units. It therefore invests the majority of its assets in investments that can generally be liquidated within a short period of time.

The investments of the Trust may become illiquid. As a result, the Trust may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value, or at all, to meet its liquidity requirements. No such investments were held as at the reporting dates.

In order to manage the Trust's overall liquidity, the Responsible Entity has the discretion to defer or adjust the redemption of units if the exercise of such discretion is in the best interests of unitholders.

Liquidity risk may be managed by:

- managing the Trust's ownership of each security's issued capital;
- restricting the use of borrowing in order to ensure the Trust has no debt obligations which may compromise solvency; and
- managing the exposure to less liquid securities.

Maturity analysis for financial liabilities

Financial liabilities of the Trust comprises derivative and non-derivative financial liabilities.

Derivative financial liabilities are generally settled in less than 3 months at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, since they are not held for settlement according to such maturity and will frequently be settled in the short-term at fair value.

All other liabilities are payable within 30 days (2023: 30 days).

(d) Market risk

Market risk is the risk of changes in the value of the Trust's financial instruments from changes in market prices or volatility arising from price risk, foreign exchange risk, and interest rate and credit spread risk.

Interest rate and credit spread risk

Interest rate and credit spread risk is the risk of changes in the value of the Trust's financial instruments from changes in market interest rates and credit spreads. Any excess cash and cash equivalents are invested at short-term market interest rates.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 9: Financial Risk Management (Continued)

(d) Market risk (continued)

Interest rate and credit spread risk (continued)

Interest rate and credit spread risk may be managed by:

- only allowing investments into certain instrument types;
- ensuring the Trust is tracking the benchmark within permitted ranges and monitoring portfolio limits;
- limiting the term of interest rate securities;
- limiting the amount invested in interest rate securities and monitoring target interest rate durations; and
- managing the weighted average maturity of the portfolio.

The Trust is exposed to interest rate and credit spread risk due to fluctuations in the prevailing levels of market interest rates and credit spreads.

The table below demonstrates the sensitivity of the Trust's profit/(loss) for the financial year to a reasonably possible change in interest rates and credit spreads, with all other variables held constant. The sensitivity of the profit/(loss) for the financial year is the effect of the assumed changes in interest rates on net interest income for the financial year based on the floating rate financial assets as at the reporting date and changes in fair value of investments for the financial year based on revaluing fixed rate financial assets, as at the reporting date.

In practice, the actual results may differ from the below sensitivity analysis and the difference could be significant.

	Change in interest rate (basis points)		Sensitivity of interest income		Sensitivity of changes in fair value of investments relating to a change in interest rates		Sensitivity of changes in fair value of investments relating to a change in credit spreads	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
			$'000	$'000	$'000	$'000	$'000	$'000
31 December 2024	+25 bps	-25 bps	38	(38)	(609)	609	(1,921)	1,921
31 December 2023	+25 bps	-25 bps	36	(36)	(382)	382	(1,557)	1,557

Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

Foreign exchange risk on monetary and non-monetary assets and liabilities may be managed by:

- managing currency exposure within limits or managing active currency within the limits as per the investment guidelines; and
- hedging undesired currency exposure.

The Trust held monetary and non-monetary assets and liabilities denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk, not foreign exchange risk.

The Trust is not exposed to significant foreign exchange risk on monetary assets and liabilities as the majority of the Trust's monetary assets and liabilities are denominated in Australian dollars.

Price risk

Price risk is the risk of changes in the value of the Trust's financial instruments from changes in market prices.

The Trust's exposure to price risk arises from its investments such as derivatives and debt securities.

All securities investments present a risk of loss of capital. The Investment Manager manages this risk through a careful selection of securities and other financial instruments within specified limits. The Trust's positions are monitored on a daily basis by the Responsible Entity.

Price risk for the Trust's debt securities and derivatives is a function of foreign exchange risk, and interest rate and credit spread risk.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 9: Financial Risk Management (Continued)

(d) Market risk (continued)

Price risk (continued)

Price risk may be managed by:

- managing the cash levels within the Trust;
- managing exposure to non-index stocks;
- ensuring the Trust is tracking its benchmark within permitted limits;
- ensuring the Trust is investing in permitted investments or fully invested in underlying unit trusts as per the Trust's offer document or stated objectives;
- restricting the Trust from stock lending, short selling or stock borrowing;
- managing exposure to foreign currency price fluctuations;
- seeking to ensure sector weights are within defined limits; and
- restricting the maximum leveraged exposure of the Trust.

The Trust's derivatives are susceptible to market price risk arising from uncertainties about future prices of the instruments.

As the Trust has no exposure to equity securities, equity derivatives or managed investment funds at the reporting date, price risk sensitivity has not been presented.

(e) Fair value estimation

The Responsible Entity classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 9: Financial Risk Management (Continued)

(e) Fair value estimation (continued)

The following tables present those of the Trust's financial assets and financial liabilities (by class) which are measured at fair value.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2024				
Financial assets				
- Debt securities	-	319,623	-	319,623
- Derivatives	48	5,209	-	5,257
Total financial assets	48	324,832	-	324,880
Financial liabilities				
- Derivatives	155	1,474	-	1,629
Total financial liabilities	155	1,474	-	1,629
31 December 2023				
Financial assets				
- Debt securities	-	365,726	-	365,726
- Derivatives	526	10,853	-	11,379
Total financial assets	526	376,579	-	377,105
Financial liabilities				
- Derivatives	414	2,589	-	3,003
Total financial liabilities	414	2,589	-	3,003

During the year, there were no transfers between level 1 and 2 or into/out of level 3 (2023: Nil).

The carrying amounts of the Trust's financial assets and financial liabilities, which are not fair valued, approximated their fair values as at the reporting date. These include short-term receivables and payables, and are not presented in the tables above.

The fair value of publicly traded derivatives is based on quoted market prices or binding dealer price quotations as at the reporting date (bid price for long positions and ask price for short positions) and have therefore been classified as level 1 in the fair value hierarchy.

For debt securities and over-the-counter derivatives, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models. These financial instruments have therefore been classified as level 2 in the fair value hierarchy.

(f) Offsetting financial instruments

Financial assets and financial liabilities are presented net in the statement of financial position where the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

Certain derivative financial assets and financial liabilities are subject to legally enforceable master netting arrangements, such as an International Swaps and Derivatives Association ("ISDA") master netting agreement. Under the terms of these arrangements, if on any date amounts would otherwise be payable in the same currency and in respect to the same transaction with the counterparty, the obligation may be automatically satisfied and discharged if the party with the larger aggregate amount pays to the other party the excess of the larger aggregate amount over the smaller aggregate amount. The amounts receivable or payable in respect of a single contract are netted in the statement of financial position.

In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated, the termination value is assessed, and only a net amount is payable in settlement of all transactions. The aggregation into a net position owing to/ receivable from a single counterparty is subject to the terms of the arrangements and the insolvency laws of the relevant jurisdiction of the party in default.

The following tables provide information on the impact of offsetting of derivative financial instruments in the statement of financial position and in circumstances where all outstanding transactions under an ISDA agreement are terminated.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Note 9: Financial Risk Management (Continued)

(f) Offsetting financial instruments (continued)

	Effects of offsetting in the statement of financial position					
	Gross amounts of financial assets and financial liabilities $'000	Gross amounts offset $'000	Net amount presented in statement of financial position $'000	Amounts subject to master netting arrangements $'000	Cash collateral pledged/ received $'000	Net amount $'000
31 December 2024						
Financial assets						
- Derivatives	5,257	-	5,257	726	-	4,531
Total	5,257	-	5,257	726	-	4,531
Financial liabilities						
- Derivatives	1,629	-	1,629	726	-	903
Total	1,629	-	1,629	726	-	903
31 December 2023						
Financial assets						
- Derivatives	11,379	-	11,379	1,273	-	10,106
Total	11,379	-	11,379	1,273	-	10,106
Financial liabilities						
- Derivatives	3,003	-	3,003	1,273	-	1,730
Total	3,003	-	3,003	1,273	-	1,730

Note 10: Commitments and Contingencies

The Trust had no commitments or contingencies at 31 December 2024 (2023: Nil).

Note 11: Events Occurring after the Reporting Date

Since 31 December 2024, there have been no matters or circumstances not otherwise dealt with in the financial report that have significantly affected or may significantly affect the Trust.

DIRECTORS' DECLARATION

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes as set out on pages 4 to 23 are in accordance with the Corporations Act 2001, including:

  (i) complying with Australian Accounting Standards as issued by the Australian Accounting Standards Board; and

  (ii) giving a true and fair view of the Trust's financial position as at 31 December 2024 and its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

The directors declare that the notes to the financial statements include an explicit and unreserved statement of compliance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (see Note 2(a)).

This declaration is made in accordance with a resolution of the directors.

Director: B Terry

Sydney

25 March 2025

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Report to the Unitholders of Macquarie Corporate Bond Fund

Opinion

We have audited the financial report of Macquarie Corporate Bond Fund ("the Trust"), which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policy information, and the directors' declaration.

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

a. Giving a true and fair view of the Trust's financial position as at 31 December 2024 and of its financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report thereon

The directors of Macquarie Investment Management Australia Limited ("the Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Building a better working world

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Building a better working world

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Darren J Handley-Greaves
Partner
Sydney
25 March 2025