


FINEXIA

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FUND REDEMPTIONS AND APPLICATIONS SUSPENDED

Dear Investor,

I am writing to you on behalf of Finexia Securities Ltd in its capacity as the Responsible Entity ('the RE') of the Finexia Childcare Income Fund ('Fund').

In early March 2025, the RE became aware that one of the loans it had made pursuant to the Product Disclosure Statement dated 28 March 2023, was in default and requires recovery action. This loan represents approximately 21% of the overall loan book of the Fund and approximately 21% of the Fund's NAV. As a result of this default, on 13 March 2025 the RE appointed Andrew Walker of WLP Restructuring as external administrator to manage the default and recover the Fund's outstanding loan amount. The Fund is the priority secured creditor, and the RE is working collaboratively with Alan Walker of WLP Restructuring as Administrator to achieve an optimal resolution for the Fund and its investors. While the Fund remains the priority secured creditor, it is not yet possible to determine with certainty what percentage of the outstanding loan amount will be recovered.

As per the PDS and clause 12.5 of the Constitution, the RE has the power to pay the Administrator's costs out of the Fund's Assets. The RE is in the process of obtaining an estimate of fees and costs from the Administrator and will update investors in this regard shortly.

With effect on and from 27 March 2025, the RE has suspended redemptions and applications for Units in the Fund including the dividend reinvestment plan until the defaulting loan issues are resolved.


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All withdrawals and redemptions from the Fund will be suspended until such time as the RE is able to resolve the defaulting loan issues and re-calculate the Unit Price and Withdrawal Price. At this stage, it is anticipated that following closure of the above withdrawal offer, redemptions will be suspended for approximately 6 months. However, the RE will notify Unitholders as soon as practical when redemptions re-open.

The RE will post regular updates in relation to the ongoing administration of this loan on its website at <https://www.finexia.com.au/childcarefund.html> in accordance with ASIC's Good Practice Guidelines for Website Disclosure.

The next Distribution Payment Date is 17 April 2025. The RE intends to continue paying distributions to Unit holders, if possible. The RE will update Unit holders and confirm whether or not distribution payments will go ahead before the next Distribution Payment Date.

If you have any questions, please contact Neil Sheather at neil.sheather@finexia.com.au or by phoning 1300 886 103.