ASA Diversified Property Fund

ARSN 106 724 038

Annual report
for the year ended 30 June 2025

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Directors' report

The directors of ASA Funds Management Limited (ASAFM) (ABN 58 079 538 499), the Responsible Entity of ASA Diversified Property Fund ("the Scheme"), present their report together with the consolidated financial statements of the Scheme for the year ended 30 June 2025 and the auditor's report thereon.

Directors
The Directors of the Responsible Entity have been in office since the start of the year to the date of this report unless otherwise stated:

Howard Brenchley (Non-Executive Director)
Annabel McFarlane (Non-Executive Director)
Timothy Slattery (Executive Director)

Principal activities

The Scheme is an unlisted property trust that aims to provide investors with a stable income stream and capital growth.

The Scheme aims to achieve this by investing in a diversified property portfolio of quality Australian commercial properties including shopping centres, industrial and office properties.

The Scheme primarily invests in direct property assets, with diversity in geographic location, tenants, lease term and sectors.

The Scheme is externally managed by a specialist real estate investment manager. ASA Operations 2 Pty Ltd, a related party of the Responsible Entity, has been appointed to provide a number of property related services to the Scheme.

Specifically the Scheme's Product Disclosure Statement outlines the Scheme's investment objectives are to provide investors:

- A stable income stream that is at least 1% p.a. above the average Commonwealth Government 10-year bond yield, calculated on a rolling basis over the previous five-year period (Fund Cash Yield Benchmark); and
- A total return (income and capital growth) above the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index (Total Return Benchmark Index), while providing a consistent level of income.

Review and results of operations

Performance Results

On average over the ten year period ending 30 June 2025 the Scheme's units delivered an annual average total return of 10.1% versus the benchmark total return of 4.9%.*

The Scheme achieved its income objective for the year ending 30 June 2025 delivering a distribution return of 7.0% versus the Cash Yield Benchmark of 3.8%.* The Scheme's total return for the year ending 30 June 2025 was 1.9%* versus the benchmark total return of 2.2%. This includes changes in capital values of the year and includes the Scheme's $9,814,000 reduction in carrying value of the Busselton Central property which was recently redeveloped and is continuing to be leased up.

The Scheme's unit price (ex distribution) as at 30 June 2025 was $1.0074 (2024: $1.0612)*

At 30 June 2025 the Scheme held a diversified portfolio of Australian commercial real estate properties weighted 91% by value to convenience retail properties and the balance in the Scheme's business park (office) property located next to Newcastle Airport and RAAF base in NSW.

At a property portfolio level as at 30 June 2025, the Scheme's occupancy level was 99.7% and the weighted average lease expiry for the portfolio (calculated by income) was 9.5 years.

The Scheme's property leasing results for the year ending 30 June 2025 included achieving rents on new leasing deals which were 11.6% higher than previous rents. Rental income growth for the year was reported at 14.6% over the prior year which reflects the recent property redevelopment completions.

Several capital management initiatives were completed over the year including an increase in the level of the Scheme's monthly cash distribution payments, the refinancing of the Scheme's debt facilities on better terms, longer tenor and lower interest rate margins and the sourcing of new equity investment into the Scheme. The Scheme's gearing was reduced over the year with the objective of operating the Scheme within the target gearing range of 35% - 45%.

*The reported performance numbers and reported unit prices (which are not audited) have been derived based on the declared unit prices calculated in accordance with the Responsible Entity's unit pricing policy, and are not based on the net assets of these IFRS compliant consolidated financial statements. Return calculations assume reinvestment of distributions.

Property valuations
At 30 June 2025, all of the Scheme's investment properties were independently valued resulting in a fair value gain of $1,150,000 (2024: Loss of $3,870,000).

Financial instruments disposal
No financial instruments were disposed of during the year ended 30 June 2025.

Property disposals

On 6 March 2025, the Scheme exchanged a contract for the sale of the property located at 6-8 Geddes St, Balcatta, Western Australia and 5 Kenhelm St, Balcatta, Western Australia for a sale price of $18,000,000, excluding selling costs of $415,626. The sale settled on 9 May 2025. This represented a realised gain on sale of $84,373 compared to the cost of property.

Significant changes in the state of affairs
The Scheme's gearing level (its ratio of borrowings to assets) has continued to remain beyond the upper end of the target gearing range of 35-45% as outlined in the Product Disclosure Statement for the Scheme (PDS). While initiatives have and continue to be implemented to reduce gearing including potential asset sales, the Board of the Responsible Entity of the Scheme (Board) made the decision to temporarily suspend offering withdrawals under the Capped Withdrawal Facility (CWF) on 8 August 2024 as it believes it is in the best interests of investors to do so.

Other than the above, in the opinion of the directors, there were no significant changes in the state of affairs of the Scheme that occurred during the year.

Events occurring after end of the year
No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the operations of the Scheme, the results of operations, or the state of the Scheme's affairs in the future reporting periods.

Likely developments and expected results of operations
The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

Further information on likely developments in the operations of the Scheme and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Scheme.

Risk considerations
Financial risks
The Scheme's primary source of income is generated through the leasing arrangements it has with tenants across the portfolio. The Scheme has sought to protect its property income by having a diversified group of tenants that operate sustainable business models, maintaining high occupancy rates and setting sustainable rents with its tenants.

A key economic risk for the Scheme relates to interest rate movements and the impact of this on property capitalisation rates, discount rates and the cost of debt funding. The Scheme seeks to mitigate this risk by investing in quality properties and maintaining an appropriate capital structure.

Indemnification and insurance of officers and auditors
No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of the Responsible Entity or the auditors of the Scheme. So long as the officers of the Responsible Entity act in accordance with the Scheme's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

Fees paid to and interests held in the Scheme by the Responsible Entity or its associates
Fees paid to the Responsible Entity and its associates out of Scheme property during the year are disclosed in note 21 to the consolidated financial statements.

No fees were paid out of Scheme property to the directors of the Responsible Entity during the year.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the year are disclosed in note 21 to the consolidated financial statements.

Units in the Scheme
The movement in units on issue in the Scheme during the year is disclosed in note 10 to the consolidated financial statements.

The value of the Scheme's assets and liabilities is disclosed in the consolidated statement of financial position and derived using the basis set out in note 2 to the consolidated financial statements.

Environmental regulation
The property operations of the Scheme are subject to environmental regulations under Australian law. There have been no known reportable breaches of these regulations.

Rounding of amounts
The Scheme is an entity of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded to the nearest thousand dollars.

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 6.

Signed in accordance with a resolution of the directors of ASA Funds Management Limited.

Howard Brenchley
Director

Timothy Slattery
Executive Director

10 September 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of ASA Funds Management Limited as Responsible Entity for ASA Diversified Property Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of ASA Diversified Property Fund for the financial year ended 30 June 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

David Kells

Partner

Sydney

10 September 2025

Consolidated statement of comprehensive income

	Notes	2025 $'000	2024 $'000
Income			
Rental income	3	**38,408**	38,222
Property expenses	4	**(11,359)**	(10,250)
Net property income		**27,049**	27,972
Interest income		**46**	100
Distribution income	5	**-**	417
Net losses on financial instruments held at fair value through profit or loss	7	**(5,082)**	(3,501)
Net fair value gain/(loss) on investment properties	15(b)	**1,150**	(3,870)
Gain on disposal of investment properties		**84**	-
Other operating income		**-**	1,538
Total income net of property expenses		**23,247**	22,656
Expenses			
Management fees	21	**4,554**	4,827
Borrowing costs	6	**13,425**	11,006
Disposal costs		**-**	2,207
Other expenses	9	**202**	2,951
Total expenses, excluding property expenses		**18,181**	20,991
Profit for the year		**5,066**	1,665
Other comprehensive income		**-**	-
Total comprehensive income attributable to unitholders		**5,066**	1,665

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

Consolidated statement of financial position

	Notes	**2025** **$'000**	2024 $'000
Assets			
Cash and cash equivalents	12	**655**	1,538
Receivables	13	**2,835**	3,037
Prepaid expenses		**616**	519
Financial assets held at fair value through profit or loss	14	**-**	4,752
Investment properties	15	**515,000**	529,718
Total assets		**519,106**	539,564
Liabilities			
Distributions payable	11	**1,573**	1,072
Payables	16	**2,599**	3,643
Financial liabilities held at fair value through profit or loss	14	**330**	-
Borrowings	17	**250,681**	263,959
Total liabilities		**255,183**	268,674
Net assets attributable to unitholders - equity	10	**263,923**	270,890

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

Consolidated statement of changes in equity

	2025	2024
	$'000	$'000
Balance at the beginning of the year	**270,890**	300,286
Comprehensive income for the year		
Profit for the year	**5,066**	1,665
Total comprehensive income attributable to unitholders	**5,066**	1,665
Transactions with unitholders		
Applications	**3,883**	5,481
Redemptions	**-**	(24,924)
Units issued upon reinvestment of distributions	**2,676**	1,819
Distributions paid and payable	**(18,592)**	(13,437)
Total transactions with unitholders	**(12,033)**	(31,061)
Balance at the end of the year	**263,923**	270,890

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

Consolidated statement of cash flows

	Notes	**2025**	2024
		$'000	$'000
Cash flows from operating activities			
Interest received		**46**	100
Distributions received		**-**	2,843
Rental income received		**39,821**	35,019
Payments to suppliers		**(15,037)**	(19,786)
Other income		**-**	1,538
Net cash inflow from operating activities	22(a)	**24,830**	19,714
Cash flows from investing activities			
Payments for additions to owned investment properties		**(4,251)**	(64,319)
Disposal cost paid from sale of investment properties		**(416)**	(2,207)
Proceeds from sale of investment properties		**18,000**	82,500
Proceeds from sale of financial instruments held at fair value through profit or loss		**-**	11,643
Net cash inflow from investing activities		**13,333**	27,617
Cash flows from financing activities			
Proceeds from borrowings		**(13,000)**	(9,500)
Borrowing costs paid		**(14,514)**	(11,948)
Distributions paid		**(15,415)**	(11,687)
Proceeds from applications by unitholders		**3,883**	5,986
Payments for redemptions by unitholders		**-**	(24,924)
Interest rate swap acquisition		**-**	(3,845)
Net cash outflow from financing activities		**(39,046)**	(55,918)
Net decrease in cash and cash equivalents		**(883)**	(8,587)
Cash and cash equivalents at the beginning of the year		**1,538**	10,125
Cash and cash equivalents at the end of the year	12	**655**	1,538
Non-cash operating and financing activities	22(b)	**2,676**	1,819

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

Notes to the consolidated financial statements

1 General information

These consolidated financial statements cover ASA Diversified Property Fund ("the Scheme") and its subsidiaries (the consolidated entity). The Scheme was constituted on 13 October 2003. The Scheme will terminate on the 80th anniversary or earlier in accordance with the provisions of the Scheme's Constitution.

The Responsible Entity of the Scheme is ASA Funds Management Limited (ABN 58 079 538 499), a wholly owned subsidiary of ASA Real Estate Partners Pty Ltd (ASA). The Responsible Entity's registered office is Level 27, 101 Collins Street, Melbourne, VIC 3000.

The Responsible Entity is incorporated and domiciled in Australia.

The controlled entities of the Scheme are:
• Australian Unity Retail Property Trust (AURPT) which was constituted on 27 January 1999;
• Australian Unity Property Syndicate - Wyong which was constituted on 23 June 1998;
• Australian Unity Property Syndicate - East West Retail which was constituted on 8 March 2000
Acquired by the Scheme on 24 October 2029

The consolidated financial statements are for the year 1 July 2024 to 30 June 2025.

The consolidated financial statements were authorised for issue by the directors of the Responsible Entity on 10 September 2025. The directors of the Responsible Entity have the power to amend and reissue the consolidated financial statements.

2 Summary of material accounting policies

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

(a) Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The Scheme is a for-profit entity for the purposes of preparing the consolidated financial statements.

The consolidated financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The consolidated statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within 12 months, except for loan receivables , financial assets/(liabilities) held at fair value through profit or loss, borrowings is greater than 12 months, and investment properties and net assets attributable to unitholders, where the amount expected to be recovered or settled within 12 months after the end of the year cannot be reliably determined.

i. Compliance with Australian Accounting Standards and International Financial Reporting Standards

The consolidated financial statements of the Scheme comply with Australian Accounting Standards as issued by AASB and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated financial statements of the Scheme have been prepared on a consolidated basis to provide the end users of the financial information with the most appropriate information in making financial decisions.

ii. New or amended Accounting Standards and Interpretations adopted

The Scheme has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the Scheme and mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the consolidated financial performance or position of the Scheme for the financial year.

The following Accounting Standards and Interpretations are most relevant to the Scheme:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current; and
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants.

The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, i.e. from 1 July 2024. As a result of the adoption of the amendments to AASB 101, the Scheme changed its accounting policy for the classification of borrowings: 'Borrowings are classified as current liabilities unless at the end of the reporting period, the Scheme has a right to defer settlement of the liability for at least 12 months after the reporting period'. This new policy did not result in a change of the presentation of the Scheme's borrowings.

iii. New Accounting Standards and Interpretations not yet mandatory or early adopted
A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2024 and earlier application is permitted. However, the Scheme has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

AASB 18 Presentation and Disclosure in Financial Statements
AASB 18 will replace AASB 101 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change;
- Management-defined performance measures (MPMs) are disclosed in a single note to the financial statements; and
- Enhanced guidance is provided on how to group information in the financial statements.

The Scheme is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Scheme's consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Scheme is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as 'other'.

AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments
AASB 2024-2 is applicable for annual reporting periods beginning from 1 January 2026, with early adoption permitted. This standard makes amendments to AASB 9 'Financial Instruments' and AASB 7 'Financial Instruments: Disclosures' to clarify how the contractual cash flows from financial assets should be assessed in determining how they should be classified. AASB 2024-2 amendments are not expected to have a significant impact on the Scheme's consolidated financial statements.

(b) Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries controlled by the Scheme as at 30 June 2025 and their results for the year then ended. The Scheme and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities over which the Scheme is exposed, or has rights, to variable returns from its involvement with the subsidiary and the ability to affect those returns through its powers over the subsidiaries.

Consolidation of subsidiaries begins from the date the Scheme obtains control of the subsidiary and ceases when the Scheme loses control of the subsidiary.

The acquisition method of accounting is used to account for business combinations by the Scheme.

2 Summary of material accounting policies (continued)

(b) Principles of consolidation (continued)

Subsidiaries (continued)

All transactions (including gains and losses) and balances between entities in the consolidated group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Scheme.

Investments in subsidiaries are accounted for at fair value through profit or loss in the individual financial statements of the parent entity.

(c) Investment properties

Initially, investment properties are measured at the cost of acquisition, being the purchase consideration determined at the date of acquisition plus costs incidental to the acquisition. Costs incidental to acquisition may include legal fees, stamp duty and other government charges, professional fees preceding acquisition and where applicable financing charges incurred during the construction or development of an asset.

Subsequent to initial recognition, investment properties are stated at fair value being the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Redevelopment and refurbishment costs (other than repairs and maintenance) are capitalised to carrying value of the investment property where they result in an enhancement in the future economic benefits of the property. Leasing fees incurred and incentives provided (excluding rental abatements which are expensed) are capitalised and amortised over the lease periods to which they relate.

In accordance with the investment property valuations policy approved by the Board of Directors of the Responsible Entity ("the Board"), independent valuations of investment properties are obtained from suitably qualified valuers generally at least once in every 24 months from the date of the last valuation; or in exceptional circumstances once in a financial year or calendar year as determined necessary; or as soon as practicable, but not later than within two months after the directors of the Responsible Entity form a view that there is reason to believe that the fair value of the investment property is materially different from its current carrying value. Such valuations are reflected in Note 15. Notwithstanding, the directors of the Responsible Entity determine the carrying value of each investment property at each reporting date to ensure that its carrying value does not materially differ from its fair value. Where the carrying value differs from fair value, that asset is adjusted to its fair value.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount because the Scheme does not expect to be ultimately liable for capital gains tax in respect of the assets.

Gains or losses arising from changes in the fair value of investment properties are included in the consolidated statement of comprehensive income in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the consolidated statement of comprehensive income in the year of derecognition.

(d) Financial instruments

(i) Classification

The classification depends on the Scheme’s business model for managing the financial instruments and the contractual terms of the relevant cash flows. The Scheme classifies its consolidated financial statements into the following measurement categories:

- *Financial assets and liabilities*

The Scheme's investments are classified as held at fair value through profit or loss. These may include investments in listed property trusts, unlisted property trusts and other unlisted trusts.

2 Summary of material accounting policies (continued)

(d) Financial instruments (continued)

(i) Classification (continued)

Financial assets and financial liabilities designated at fair value through profit or loss are those that are managed and their performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The consolidated entity's and the Scheme's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

The information on the fair value basis is provided internally to the Scheme's key management personnel. In addition, the designation of financial assets and financial liabilities at fair value through profit or loss will reduce any measurement or recognition inconsistencies and any accounting mismatch that would otherwise arise.

- *Amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met:

(a) it is held within a business model which objective is to hold assets in order to collect contractual cash flows, and
(b) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

(ii) Recognition/derecognition

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

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Scheme retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' agreement; or
- the Scheme has transferred its rights to receive cash flows from the asset and either:
  (a) has transferred substantially all the risks and rewards of the asset; or
  (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Any gains or losses arising on derecognition of a financial asset and liability is included in the consolidated statement of comprehensive income in the year the financial asset and liability is derecognised as realised gains or losses on financial instruments.

(iii) Measurement

Financial assets and financial liabilities held at fair value through profit or loss 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 assets and financial liabilities held at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the consolidated statement of comprehensive income.
For further details on how the fair values of financial instruments are determined please see Note 20 to the consolidated financial statements.
Borrowings and receivables/payables are measured initially at fair value plus transaction costs and subsequently are carried at amortised cost using the effective interest method.

(iv) Offsetting financial instruments

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

2 Summary of material accounting policies (continued)

(e) Derivatives

In order to minimise exposure to fluctuations in interest rates, the Scheme may use a combination of interest rate swaps to ensure that the rate of interest on debt is predominantly fixed. Derivative financial instruments are not held for speculative purposes and are carried on the consolidated statement of financial position at fair value. Changes in fair value are recognised in the consolidated statement of comprehensive income.
Interest payments and receipts under interest rate swap contracts are recognised on an accrual basis in the consolidated statement of comprehensive income, as an adjustment to borrowing costs and other related costs when the hedge transaction occurs.

(f) Net assets attributable to unitholders

Units are redeemable at the unitholders' option via withdrawal facility offers by the Responsible Entity. The units can be put back to the Scheme for cash equal to a proportionate share of the Scheme's net asset value. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the year if unitholders exercised their right to put the units back to the Scheme.

The Scheme classifies the net assets attributable to unitholders as equity as they satisfy the following criteria under AASB 132 *Financial instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Scheme's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial instruments, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Scheme, and it is not a contract settled in the Scheme's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

(g) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in the consolidated statement of financial position.

(h) Investment income

Interest income is recognised in the consolidated statement of comprehensive income for financial instruments measured at amortised cost.
Trust distributions (including distributions from cash management trusts) are recognised on an entitlements basis.
Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the year and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend/distribution income. Realised and unrealised gains/(losses) are shown in the notes to the consolidated financial statements.

(i) Expenses

All expenses, including property expenses, management fees and custodian fees, are recognised in the consolidated statement of comprehensive income on an accruals basis.

(j) Income tax

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

(k) Distributions

In accordance with the Scheme's Constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. Distributions are recognised in the consolidated statement of changes in equity as transactions with unitholders.

2 Summary of material accounting policies (continued)

(l) Receivables

Receivables may include amounts for dividends, interest, rental income arrears, trust distributions and securities sold where settlement has not yet occurred. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each year from the time of last payment in accordance with the policy set out in note 2(h) above. Amounts are generally received within 30 days of being recorded as receivables.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for expected credit losses. Trade receivables are required to be settled within 30 days and are assessed on an ongoing basis for impairment. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for expected credit losses is recognised for expected credit losses on trade and other receivables. The provision for expected credit losses is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial.

The calculation of expected credit losses relating to rent and other receivables requires significant judgement to assess the future uncertainty of tenants' ability to pay their debts. Expected credit losses have been estimated with reference to the Scheme's historical credit loss experience, general economic conditions and forecasts, assumptions around rent relief that may be provided to tenants and tenant risk factors such as size, industry exposure and the Scheme's understanding of the ability of tenants to pay their debts. Accordingly, expected credit losses include both the part of the rent receivable that is likely to be waived and any additional amount relating to credit risk associated with the financial condition of the tenant.

(m) Payables

Payables include liabilities and accrued expenses owed by the Scheme which are unpaid as at the end of the reporting period. These payables, which are generally settled on 30-90 day terms and are unsecured, are carried at amortised cost.

Trades are recorded on trade date, and normally settled within three business days. Purchases of financial instruments that are unsettled at the end of each year are included in payables.

The distribution amount payable to unitholders as at the end of each year is recognised separately in the consolidated statement of financial position when unitholders are presently entitled to the distributable income under the Scheme's Constitution.

Liabilities for trade creditors are carried at original invoice amount which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Scheme.

Payables to related parties are recognised and carried at the nominal amount due. They are carried at the nominal amount due to the short term nature of the payable. Interest is taken up as an expense on an accrual basis.

Provisions are recognised when the Scheme has a present obligation as a result of the past event and it is probable that the Scheme will be requested to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(n) Applications and redemptions

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

Unit redemption prices are determined in accordance with the Scheme's Constitution by reference to the net assets of the Scheme divided by the number of units on issue less transaction costs.

2 Summary of material accounting policies (continued)

(o) Borrowings

All loans are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with borrowings.
After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains and losses are recognised in the consolidated statement of comprehensive income when liabilities are derecognised or impaired.

(p) Goods and Services Tax (GST)

The consolidated statement of comprehensive income is shown exclusive of GST, unless the GST incurred (or part thereof) on expenses that are not recoverable. Expenses of various services provided to the Scheme by third parties, such as custodial services and investment management fees, may have non-recoverable GST components, as applicable. In these cases, the non-recoverable GST component is recognised as part of the particular expense in the consolidated statement of comprehensive income.
Accounts payable and receivable are stated inclusive of the GST receivable and payable, respectively. The net amount of GST recoverable, or payable, is included in receivables or payables in the consolidated statement of financial position.

Cash flows relating to GST are included in the consolidated statement of cash flows on a gross basis.

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue brought to account but not received at the end of the year is recognised as a receivable. The following specific recognition criteria must also be met before revenue is recognised:

Rental income
Rental income is recognised on a straight-line basis over the lease term for leases with fixed rent review clauses. The rental adjustments from straight-lining of rental income are disclosed in the consolidated financial statements for financial reporting presentation purposes only.

Contingent rentals, such as turnover rent and market rent adjustments, are recognised as income in the financial reporting period in which they are earned. Some leases contain variable payment terms that are linked to sales generated. Variable lease payments that depend on sales are recognised in the consolidated statement of comprehensive income in the period in which the condition that triggers those payments occurs.

Incidental income (costs) derived from an investment property undergoing construction or development but not directly related to bringing the assets to the working condition, are recognised in profit for the year.

Rent not received at the end of the year is reflected in the consolidated statement of financial position as a receivable or if paid in advance, as a liability.

Outgoings income
Outgoings income is recognised in the consolidated statement of comprehensive income on an accruals basis.

Within its lease arrangements, the Scheme provides certain services to tenants (such as utilities, cleaning, maintenance and certain parking arrangements) which are accounted for within AASB 15 *Revenue from Contracts with Customers*. A portion of the consideration within the lease arrangements is therefore allocated to revenue for the provision of these services

(r) Leases

Leasing costs
Lease costs are costs that are directly associated with negotiating and arranging an operating lease (including commissions, legal fees and costs of preparing and processing documentation for new leases). These costs are capitalised and are amortised on a straight-line basis over the term of the lease as property expenses. The carrying amount of the leasing cost is reflected in the carrying value of investment properties.

2 Summary of material accounting policies (continued)

(r) Leases (continued)

Lease incentives
Prospective tenants may be offered incentives as an inducement to enter into operating leases. The costs of incentives are recognised as a reduction of rental revenue on a straight-line basis from the lease commencement date to the end of the lease term. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

(s) Use of judgements and estimates

The preparation of the Scheme's consolidated financial statements requires it to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements are made by the Scheme in respect of the fair values of investment properties. These investments are reviewed regularly by reference to external independent property valuations and market conditions, using generally accepted market practices.

The key weighted average assumptions used by the external independent property valuers in the latest valuations have been used by the Scheme for the investment properties and the weighted average total for all properties have been disclosed in note 20.

(t) Structured entities

The Scheme has assessed whether the funds in which it invest should be classified as structured entities. The Scheme has considered the voting rights and other similar rights afforded to investors in these funds, including the rights to remove the fund manager or redeem holdings. The Scheme has also considered whether these rights are the dominant factor in controlling the funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling these funds. The Scheme has concluded that the funds in which they invest in are not structured entities.

(u) Rounding of amounts

The Scheme is an entity of a kind referred to in *ASIC Corporations Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded to the nearest thousand dollars.

(v) Functional and presentation currency

Items included in the financial statements of each of the Scheme's operations are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Scheme's functional and presentation currency.

3 Rental income

	2025	2024
	$'000	$'000
Rental income	**34,802**	35,592
Outgoings revenue	**7,474**	6,112
Amortisation of lease commissions & lease incentives	**(3,868)**	(3,482)
	38,408	38,222

4 Property expenses

	2025	2024
	$'000	$'000
Recoverable outgoings	**10,194**	9,209
Non recoverable outgoings	**1,089**	974
Provision for expected credit losses	**76**	67
	11,359	10,250

5 Distribution income

	2025	2024
	$'000	$'000
Related listed property trust	-	417
	-	417

6 Borrowing costs

	2025	2024
	$'000	$'000
Interest Expense	**10,204**	8,282
Line Fee	**2,050**	2,240
Borrowing costs	**1,171**	484
	13,425	11,006

7 Net gains/(losses) on financial instruments held at fair value through profit or loss

	2025	2024
	$'000	$'000
Net loss on derivatives	**(5,082)**	(2,484)
Net loss on listed property trust	-	(1,017)
Total fair value loss on financial instruments	**(5,082)**	(3,501)

8 Auditor's remuneration

During the year the following fees were paid or payable for services provided by auditors of the consolidated entity and the Scheme:

	2025	2024
	$	$
Audit services - KPMG		
Audit and review of financial statements	**49,279**	48,779
Audit of compliance plan	**3,090**	3,000
Total auditor's remuneration	**52,369**	51,779

9 Other operating expenses

	2025	2024
	$'000	$'000
Administration	**-**	109
Sundry expenses*	**202**	2,842
	202	2,951

*During 2024, the Scheme incurred $2,759,000 of costs in relation to the proposed merger with Cromwell Direct Property Fund, which did not proceed.

10 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

Contributed equity	**2025 No. '000**	2024 No. '000	**2025 $'000**	2024 $'000
Opening balance	**255,244**	272,173	**270,890**	281,486
Applications	**3,828**	5,086	**3,883**	5,481
Redemptions	**-**	(23,769)	**-**	(24,924)
Units issued upon reinvestment of distributions	**3,030**	1,754	**2,676**	1,819
	6,858	(16,929)	**6,559**	(17,624)
Closing balance	**262,102**	255,244	**277,449**	263,862

Undistributed income	**2025 $'000**	2024 $'000
Opening balance	**7,028**	18,800
Decrease in net assets attributable to unitholders	**(20,554)**	(11,772)
Closing balance	**(13,526)**	7,028
Total net assets attributable to unitholders	**263,923**	270,890

As stipulated within the Scheme's Constitution, each unit represents a right to an individual share in the Scheme and does not extend to a right in the underlying assets of the Scheme.

Capital risk management

Applications and redemptions are reviewed relative to the liquidity of the Scheme's underlying assets by the Responsible Entity. Units are redeemable at the unitholders' option via quarterly Capped Withdrawal Facility (CWF) by the Responsible Entity. Under the terms of the Scheme's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

The Scheme’s gearing level (its ratio of borrowings to assets) has continued to remain beyond the upper end of the target gearing range of 35-45% as outlined in the Product Disclosure Statement for the Scheme (PDS). While initiatives have and continue to be implemented to reduce gearing including potential asset sales, the Board of the Responsible Entity of the Scheme (Board) made the decision to temporarily suspend offering withdrawals under the Capped Withdrawal Facility (CWF) on 8 August 2024 as it believes it is in the best interests of investors to do so.

11 Distributions to unitholders

The distributions for the year were as follows:

	2025	**2025**	2024	2024
	$'000	**CPU**	$'000	CPU
31 July	**1,532**	**0.6000**	1,147	0.4200
31 August	**1,535**	**0.6000**	1,151	0.4200
30 September	**1,540**	**0.6000**	1,153	0.4200
30 October	**1,543**	**0.6000**	1,156	0.4200
30 November	**1,545**	**0.6000**	1,126	0.4200
31 December	**1,547**	**0.6000**	1,128	0.4200
31 January	**1,550**	**0.6000**	1,130	0.4200
28 February	**1,553**	**0.6000**	1,101	0.4200
31 March	**1,555**	**0.6000**	1,101	0.4200
30 April	**1,557**	**0.6000**	1,102	0.4200
31 May	**1,562**	**0.6000**	1,070	0.4200
30 June (payable)	**1,573**	**0.6000**	1,072	0.4200
Total distribution	**18,592**		13,437	

12 Cash and cash equivalents

	2025	2024
	$'000	$'000
Cash at bank	**655**	1,538
	655	1,538

13 Receivables

	2025	2024
	$'000	$'000
Trade receivables	**2,651**	1,083
Other receivables	**184**	1,954
	2,835	3,037

14 Financial assets /(liabilities) held at fair value through profit or loss

	2025	2024
	$'000	$'000
Interest rate swaps	**(330)**	4,752
Total financial (liabilities)/assets held at fair value through profit or loss	**(330)**	4,752

14 Financial assets held at fair value through profit or loss (continued)

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in note 19 and note 20 to the consolidated financial statements.

The details of the derivative financial instruments are shown in note 18.

15 Investment properties

(a) Property details

	Type	Ownership	Acquisition date	Independent valuation date	Independent valuation amount	Independent valuer	Carrying value 2025	Carrying value 2024
		(%)			$'000		$'000	$'000
Wyong Twin Service Centres, Wyong, NSW	Convenience	100%	24/10/2019	30/06/2025	186,000	Savills	**186,000**	**176,000**
North Blackburn Shopping Centre, North Blackburn,VIC	Retail	100%	24/10/2019	30/06/2025	148,000	CBRE	**148,000**	**141,847**
1 & 2 Technology Place, Williamtown, NSW	Industrial	100%	31/05/2021	30/06/2025	45,500	CBRE	**45,500**	**51,540**
Dog Swamp Shopping Centre, WA	Retail	100%	19/12/2003	30/06/2025	58,500	CBRE	**58,500**	**54,790**
Busselton Central Shopping Centre, WA*	Retail	100%	19/12/2003	30/06/2025	77,000	CBRE	**77,000**	**86,814**
6-8 Geddes St Balcatta, WA**	Industrial	100%	19/12/2003	Sold	-	-	**-**	**18,727**
Total					**515,000**		**515,000**	**529,718**

*** Includes 6-8 Geddes Street, Balcatta and 5 Kenhelm Street Balcatta, WA*

On 6 March 2025, the Scheme exchanged a contract for the sale of the properties located at 6-8 Geddes St, Balcatta, Western Australia and 5 Kenhelm St, Balcatta, Western Australia for a sale price of $18,000,000, excluding selling costs of $416,000. The sale settled on 09 May 2025. This represented a realised gain on sale of $84,000.

Where the carrying value of an investment property may vary from the most recent independent valuation of the property (as set out in the table above) due to capital expenditure and the accounting treatment of leasing commissions and lease incentives during the current period. The carrying value at the reporting date reflects the directors of the Responsible Entity's best estimate of the fair value of each property based on internal valuations.

The investment properties valuation policy is included in note 20.

15 Investment properties (continued)

(b) Movements in carrying amount

Reconciliations of the carrying amounts of investment properties are set out below:

	2025	2024
	$'000	$'000
Opening balance	**529,718**	562,935
Capitalised borrowing cost	**-**	1,532
Additions	**3,684**	50,948
Disposal	**(17,500)**	(82,500)
Lease commissions and incentives amortisation	**(3,868)**	(3,482)
Straight-lining of rental income	**1,816**	4,155
Change in fair value	**1,150**	(3,870)
Closing balance	**515,000**	529,718

(c) Contractual obligations

Capital expenditure contracted for at the reporting date but not recognised as liabilities:

	2025	2024
	$'000	$'000
Within one year	**803**	1,406
	803	1,406

The Scheme's share of capital commitments will be funded using the Scheme's cash and cash equivalents and debt facility. Refer to notes 12 and 17, respectively.

(d) Leasing arrangements

The Scheme leases out its investment properties to tenants under operating leases with rentals payable monthly. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2025	2024
	$'000	$'000
Within one year	**33,294**	32,491
Later than one year but not later than 5 years	**110,747**	112,283
Later than 5 years	**85,959**	89,214
	230,000	233,988

16 Payables

	2025	2024
	$'000	$'000
Trade payables	**46**	108
Accrued expenses	**2,236**	2,089
Rent received in advance	**-**	1,267
GST payable	**317**	179
	2,599	3,643

17 Borrowings

	2025	2024
	$'000	$'000
Bank loan	**252,000**	265,000
Unamortised borrowing costs	**(1,319)**	(1,041)
	250,681	263,959

The debt facility is secured and is non-recourse to unitholders. The Scheme's secured debt facility is subject to loan to value ratio (LVR) and interest cover ratio (ICR) covenants that must be complied with at all times. The Scheme complied with all covenants during the year and at year end and expects to comply with the covenants within 12 months after the reporting date.

On 30 June 2025, the bank loan facility was comprised of four tranches:
• Tranche A1 is a $70,000,000 facility expiring on 18 December 2027
• Tranche A2 is a $55,000,000 facility expiring on 18 December 2028
• Tranche B1 is a $70,000,000 facility expiring on 18 December 2027
• Tranche B2 is a $70,000,000 facility expiring on 18 December 2028

The Scheme had access to:

	2025	2024
	$'000	$'000
Credit facilities		
Cash advance facilities	**265,000**	300,000
Drawn balance	**(252,000)**	(265,000)
Undrawn balance	**13,000**	35,000

17 Borrowings (continued)

Reconciliations of the net debt are set out below:

	2025	2024
	$'000	$'000
Analysis of changes in consolidated net debt		
Opening balance	**263,462**	264,375
Net repayments from borrowings	**(13,000)**	(9,500)
Other cash movements	**883**	8,587
Closing balance	**251,345**	263,462
Bank loan	**252,000**	265,000
Cash and cash equivalents	**(655)**	(1,538)
Consolidated net debt	**251,345**	263,462

17 Borrowings (continued)

	Loans and borrowings	Interest rate swap contracts used for hedging - assets	Unitholder capital	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2024	263,959	(4,752)	270,890	530,097
Changes from financing cash flows				
Proceeds from issue of units	-	-	3,883	3,883
Payments for redemptions by unitholders	-	-	-	-
Proceeds from loans and borrowings	7,200	-	-	7,200
Repayments of loans and borrowings	(20,200)	-	-	(20,200)
Other changes				
Distributions paid	-	-	(15,415)	(15,415)
Borrowing costs paid	(14,437)	-	-	(14,437)
Total changes from financing cash flows	(27,437)	-	(11,532)	(38,969)
Changes in fair value	-	5,082	-	5,082
Liability related				
Borrowing costs expense	13,425	-	-	13,425
Movement in borrowing costs payable	734	-	-	734
Total liability related other changes	14,159	-	-	14,159
Total equity related other changes	-	-	4,653	4,653
Balance at 30 June 2025	250,681	330	264,011	515,022

17 Borrowings (continued)

	Loans and borrowings	Interest rate swap contracts used for hedging - assets	Unitholder capital	Total
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 2023	272,976	(3,391)	300,286	566,480
Changes from financing cash flows				
Proceeds from issue of units	-	-	5,986	5,986
Payments for redemptions by unitholders	-	-	(24,924)	(24,924)
Proceeds from loans and borrowings	-	-	-	-
Repayments of loans and borrowings	(9,500)	-	-	(9,500)
Payment for settlement of derivatives	-	(3,845)	-	(7,690)
Other changes				-
Distributions paid	-	-	(11,687)	(11,687)
Borrowing costs paid	(11,948)	-	-	(11,948)
Total changes from financing cash flows	(21,448)	(3,845)	(30,625)	(59,763)
Changes in fair value	-	2,484	-	4,968
Liability related				
Borrowing costs expense	11,006	-	-	11,006
Movement in borrowing costs payable	1,425	-	-	1,425
Total liability related other changes	12,431	-	-	12,431
Total equity related other changes	-	-	1,229	1,229
Balance at 30 June 2024	263,959	(4,752)	270,890	525,345

18 Derivative financial instruments

2025	Contract/ notional	Fair values Assets	Fair values Liabilities
	$'000	$'000	$'000
Interest rate swaps			
Maturing on 7 July 2028 at fixed rate of 3.52% effective 6 July 2023	**50,000**	-	(391)
Maturing on 6 July 2025 at fixed rate of 2.75% effective 6 July 2023	**30,000**	7	-
Maturing on 6 July 2025 at fixed rate of 2.75% effective 6 July 2023	**20,000**	5	-
Maturing on 30 October 2025 at fixed rate of 2.25% effective 1 November 2023	**30,000**	134	-
Maturing on 9 January 2029 at fixed rate of 3.35% effective 10 January 2024	**50,000**	-	(85)
Total	**180,000**	146	(476)
Forward dated interest swap contracts			
Maturing on 6 July 2027 at fixed rate of 3.30% effective 6 July 2027	**100,000**		
Maturing on 6 July 2030 at fixed rate of 3.96% effective 6 July 2028	**50,000**		
Total	**150,000**		

2024	Contract/ notional	Fair values Assets	Fair values Liabilities
	$'000	$'000	$'000
Interest rate swaps			
Maturing on 7 July 2025 at fixed rate of 2.00% effective 6 July 2023	**50,000**	1,235	-
Maturing on 6 July 2025 at fixed rate of 2.75% effective 6 July 2023	**30,000**	523	-
Maturing on 6 July 2025 at fixed rate of 2.75% effective 6 July 2023	**20,000**	349	-
Maturing on 30 October 2025 at fixed rate of 2.25% effective 1 November 2023	**30,000**	854	-
Maturing on 9 January 2025 at fixed rate of 2.00% effective 10 January 2024	**50,000**	1,791	-
Total	**180,000**	4,752	-

An interest rate swap is an agreement between two parties to exchange their interest obligations (payments) or receipts at set intervals on a notional principal amount over an agreed time period.

The fair value of interest rate swaps is the estimated amount that the Scheme would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The valuation policy is included in note 20.

The Scheme has entered into interest rate swap contracts to manage future interest payments on the Scheme's borrowings.

A net unrealised loss of $5,082,000 (2024: gain of $2,483,000) relating to the change in the fair value of the Scheme's interest rate swap contracts has been recognised for the year ended 30 June 2025.

The Scheme paid swap up-front payments of $nil during the year ended 30 June 2025.

19 Financial risk management

(a) Objectives, strategies, policies and processes

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

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's disclosure documents and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed. Financial risk management is carried out by the Investment Manager ("the Investment Manager") under policies approved by the Board of Directors of the Responsible Entity ("the Board").

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates, other price risks, and ratings analysis for credit risk.

As part of its risk management strategy, the Scheme uses interest rate swaps to manage exposures resulting from changes in interest rates.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: price risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis,and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look through basis for investments held in the Scheme.

19 Financial risk management (continued)

(b) Market risk (continued)

(i) Interest rate risk

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

The Scheme is exposed to interest rate risk predominantly through borrowings. The Scheme applies hedging across its differing interest rate exposures and utilises interest rate swaps, to exchange floating interest rates to fixed interest rates, to manage its exposure. Compliance with policy is reviewed regularly by management.

The Scheme did not have any hedging arrangement in place during FY25 but does have $180.0 million (2024: $180.0 million) notional amount of interest rate swaps for which interest payments commenced from 6 July 2023.

	2025	2024
	$'000	$'000
Floating rate		
Cash and cash equivalents	**655**	1,538
Borrowings*	**(252,000)**	(265,000)
	(251,345)	(263,462)
Derivative financial instruments		
Interest rate swaps contracts*	**180,000**	180,000
	180,000	180,000
Net exposure	**71,345**	(83,462)

* Represents the notional principal amounts.

The table below demonstrates the sensitivity to reasonably possible changes in year end interest rates, with all other variables held constant. A negative amount in the table reflects a potential net reduction in profit and net assets attributable to unitholders, while a positive amount reflects a potential net increase.

	Impact on profit and net assets attributable to unitholders	Impact on profit and net assets attributable to unitholders
	2025	2024
Sensitivity	**$'000**	$'000
Interest rate + 0.76% (2024: +0.76%)	**(1,915)**	(2,002)
Interest rate - 0.76% (2024: -0.76%)	**1,915**	2,002

The above calculation ignores the impact of any changes to the valuation of interest rate swaps.

19 Financial risk management (continued)

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Scheme to make a financial loss. The Scheme has exposure to credit risk on all of its financial assets included in the Scheme's consolidated statement of financial position.

The Scheme manages this risk by performing credit reviews of prospective tenants, obtaining tenant collateral where appropriate and performing detailed reviews on tenant arrears. The Scheme reviews the aggregate exposures of tenant debtors and tenancies across its portfolio.

The Scheme applies the simplified expected credit loss (ECL) approach to estimate the amount of impairment loss. Under the simplified ECL approach, the Scheme estimates the expected lifetime losses to be recognised from initial recognition of the receivables. In estimating the lifetime ECL, the Scheme conducts an internal credit review that takes into account the historical loss experience, current observable data and reasonable forward-looking information as available, which include the significant changes in the performance and payment status of the debtors and anticipated significant adverse changes in business, financial or economic conditions that may impact the debtors' ability to meet its obligations. The additional provision during the current financial year was immaterial.

The Scheme is exposed to credit risk on financial instruments and derivatives. There is only a credit risk where the contracting entity is liable to pay the Scheme in the event of a close out.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Scheme's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Scheme is exposed to the applicable withdrawal offer put in place by the Responsible Entity.

The Scheme's investments may include listed securities that are considered readily realisable, as they are listed on recognised stock exchanges.

Under the terms of its Constitution, the Scheme has the ability to manage liquidity risk by delaying withdrawals to unitholders, if necessary, until the funds are available to pay them.

Units are redeemed on demand at the unitholders option via withdrawal facility offers by the Responsible Entity. However, the Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term and withdrawal offers are subject to limits set by the Responsible Entity.

The Scheme's policy is to hold a proportion of their investments in liquid assets.

19 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturity analysis of financial liabilities
The table below analyses the Scheme's financial liabilities into relevant maturity groupings based on the remaining period at the end of the year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Financial liabilities such as trade payables, where there are no specific contractual settlement dates, have been grouped into the 'less than 1 year' maturity grouping as such liabilities are typically settled within 30 days.

2025	**Less than 1 year $'000**	**1-2 years $'000**	**2-3 years $'000**	**3+ years $'000**
Distributions payable	**1,573**	**-**	**-**	**-**
Payables	**2,599**	**-**	**-**	**-**
Borrowings	**-**	**-**	**140,000**	**112,000**
Total financial liabilities	**4,172**	**-**	**140,000**	**112,000**

2024	Less than 1 year $'000	1-2 years $'000	2-3 years $'000	3+ years $'000
Distributions payable	1,072	-	-	-
Payables	3,643	-	-	-
Borrowings	100,000	100,000	65,000	-
Total financial liabilities	104,715	100,000	65,000	-

As disclosed above, the Scheme manages its liquidity risk by investing in liquid assets that it expects to be able to liquidate within seven days or less. Liquid assets include cash and cash equivalents and listed property trusts. As at 30 June 2025, these assets amounted to $655,000 (2024: $1,538,000).

(e) Estimation of fair values of financial assets and financial liabilities

The carrying amounts of the Scheme's assets and liabilities, except borrowing, at the end of each year approximate their fair values.

The Scheme values its investments in accordance with the accounting policies set out in note 20.

(f) Instruments used by the Scheme

The Scheme is party to derivative financial instruments in the normal course of business in order to manage exposure to fluctuations in interest rates in accordance with the Scheme's financial risk management policies.

19 Financial risk management (continued)

(g) Capital risk management

The Scheme's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for unitholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Scheme may adjust the amount of distributions paid to unitholders, return capital to unitholders, issue new units or sell assets to reduce debt.

The Scheme is subject to certain covenants on its financing arrangements and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the prior year.

20 Fair value hierarchy

The Scheme measures and recognises the financial assets/(liabilities) held at fair value through profit or loss and investment properties at fair value on a recurring basis.

(a) Fair value hierarchy

The Scheme is required to classify 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:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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 that 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.

All fair value measurements disclosed are recurring fair value measurements.

The table below sets out the Scheme's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

20 Fair value hierarchy (continued)

2025	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Financial assets held at fair value through profit or loss				
Interest rate swaps	**-**	**-**	**-**	**-**
Total financial assets	**-**	**-**	**-**	**-**
Non-financial assets				
Investment properties	**-**	**-**	**515,000**	**515,000**
Total non-financial assets	**-**	**-**	**515,000**	**515,000**

2025	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial liabilities				
Financial liabilities held at fair value through profit or loss				
Interest rate swaps	**-**	**330**	**-**	**330**
Total financial liabilities	**-**	**330**	**-**	**330**

2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Financial assets held at fair value through profit or loss				
Interest rate swaps	-	4,752	-	4,752
Total financial assets	-	4,752	-	4,752
Non-financial assets				
Investment properties	-	-	529,718	529,718
Total non-financial assets	-	-	529,718	529,718

The Scheme's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the year. There are no transfers between levels 1, 2 and 3 for fair value measurements during the year (2024: nil).

(b) Valuation techniques

(i) Financial instruments

The pricing for the majority of the Scheme's investments is generally sourced from independent pricing sources, the relevant Investment Managers or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed property trusts and exchange traded derivatives.

20 Fair value hierarchy (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices or alternative pricing sources supported by observable inputs are classified within level 2. These include unlisted property trusts and over-the-counter derivatives.

The fair value of interest rate swaps is calculated using a discounted cash flow model as the present value of the estimated future cash flows based on observable yield curves. The model incorporate various inputs including both credit and debit valuation adjustments for counterparty and own credit risk, and interest rate curves.

Specific valuation techniques used daily to value financial instruments include:

- for listed trust, disclosed in level 1, the use of quoted market prices or dealer for similar instruments
- for derivatives, the fair value of interest rate swaps is calculated using a discounted cash flow mod present value of the estimated future cash flows based on observable yield curves.

(ii) Investment properties

The investment property valuation policy is to have independent valuations conducted regularly, typically annually, to aid with the determination of the assets fair value. In determining the fair value of an investment property, the primary appropriate method of assessment is considered to be via reconciliation between the discounted cash flow and income capitalisation methods. Direct comparison may also be used as a secondary assessment method.

- Discounted cash flow method - this methodology involves formulating a projection of net income over a specified time horizon, normally 10 years, and discounting this cash flow including the projected terminal value at the end of the projection period at an appropriate market-derived discount rate. The present value of this discounted cash flow provides a guide to the fair value of the property;
- Income capitalisation method - this methodology involves the assessment of a net market income for the various components of the subject property. The net market income is capitalised at a rate derived from the analysis of comparable sales evidence to derive a capital value. Appropriate capital adjustments are then made where necessary to reflect the adopted cash flow profile and the general risk characteristic of the property; and
- Direct comparison method - this methodology identifies comparable sales on a dollar per square metre of lettable area and compares the equivalent rates to the subject property to establish the property's market value. This approach is somewhat subjective given the fact that specific items of income and expenditure are difficult to directly reflect and compare when adopting a rate per metre.

At each reporting date the appropriateness of those valuations is assessed by the Responsible Entity.

The stated fair value of each investment property at the end of the year represents the Responsible Entity's best estimate as at the end of the year. However, if an investment property is sold in the future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the consolidated financial statements if that differs from the valuation.

The fair value estimates for investment properties are included in level 3 as explained in section (c) below.

(c) Fair value measurements using significant unobservable input (level 3)

The changes in fair value of investment properties for the year are set out in note 15(b).

(i) Valuation inputs and relationship to fair value

The following are the key valuation assumptions used in the determination of the investment properties fair value using the discounted cash flows and income capitalisation valuation methodologies:

20 Fair value hierarchy (continued)

- Current net market rental - the estimated amount for which a property or space within a property should be leased between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In the calculation of net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable);
- Adopted capitalisation rate - the rate at which net market income is capitalised to determine the value of the property. This rate is determined with regards to market evidence;
- Adopted terminal yield - the capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of a holding period when carrying out a discounted cash flow calculation. This rate is determined with regards to market evidence; and
- Adopted discount rate - the rate of return to convert a monetary sum, payable or receivable in the future, into present value. Theoretically, it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. This rate is determined with regards to market evidence.

The table below illustrates the key valuation assumptions used in the determination of the investment properties fair value:

Valuation inputs	**2025**	2024
Current net market rental ($ per sqm)	**375 - 2,334**	146 - 2,273
Adopted capitalisation rate (%)	**5.50% - 8.38%**	5.50% - 7.38%
Adopted terminal yield (%)	**5.63% - 8.63%**	5.75% - 7.75%
Adopted discount rate (%)	**6.50% - 8.63%**	6.50% - 7.88%

(ii) Valuation processes

Independent valuations of investment properties are obtained from suitably qualified valuers generally at least once in every 18 months if the property is in a construction phase; otherwise once in any 12 month period from the date of the last valuation; or in exceptional circumstances once in a financial year or calendar year as determined necessary; or as soon as practicable, but not later than within two months after the directors of the Responsible Entity form a view that there is reason to believe that the fair value of the investment property is materially different from its current carrying value. Such valuations are reflected in note 15. Notwithstanding, the directors of the Responsible Entity determine the carrying value of each investment property at each reporting date to ensure that its carrying value does not materially differ from its fair value. Where the carrying value differs from fair value, that asset is adjusted to its fair value.

(iii) Sensitivity information

The table below details the movement in the fair value when each of the significant inputs either increase or decrease, with all other inputs remaining constant:

Significant inputs	Fair value measurement sensitivity to significant increase in input	Fair value measurement sensitivity to significant decrease in input
Current net market rental	Increase	Decrease
Adopted capitalisation rate	Decrease	Increase
Adopted terminal yield	Decrease	Increase
Adopted discount rate	Decrease	Increase

It is often the case that multiple significant inputs change simultaneously, on these occasions the impact of the changes in the individual inputs can be reduced or vice versa can magnify the movement in the fair value.

20 Fair value hierarchy (continued)

When assessing the discounted cash flow, the adopted discount rate and adopted terminal yield have a strong interrelationship because the discount rate will determine the rate at which the terminal value is discounted to the present value. In theory, an increase (softening) in the adopted discount rate and a decrease (tightening) in the adopted terminal yield could potentially offset the impact on fair value, and vice versa. The impact on fair value may be magnified if both the discount rate and terminal yield move in the same direction.

When calculating the income capitalisation, the net market rent has a strong interrelationship with the adopted capitalisation rate. This is because the methodology involves assessing the total net market income receivable from the property and capitalising this in perpetuity to derive a capital value. In theory, an increase in the net market rent and an increase (softening) in the adopted capitalisation rate could potentially offset the impact to the fair value. The same can be said for a decrease in the net market rent and a decrease (tightening) in the adopted capitalisation rate. The impact on fair value may be magnified if the net market rent is increasing while the capitalisation rate is decreasing (or vice versa).

A sensitivity analysis was undertaken to assess the impact of capitalisation rates, discount rates and terminal yields on the fair value of the investment properties. The estimated impact of a change in these significant unobservable inputs is illustrated in the table below:

	30 June 2025 $'000	30 June 2024 $'000
Adopted capitalisation rate +0.25% (2024: +0.25%)	**(20,953)**	(22,425)
Adopted capitalisation rate -0.25% (2024: -0.25%)	**22,832**	22,235
Adopted discount rate +0.25% (2024: +0.25%)	**(17,845)**	(9,148)
Adopted discount rate -0.25% (2024: -0.25%)	**19,181**	9,718
Adopted terminal yield +0.25% (2024: +0.25%)	**(20,283)**	(11,657)
Adopted terminal yield -0.25% (2024: -0.25%)	**22,039**	12,961

21 Related party transactions

Responsible entity
The Responsible Entity of ASA Diversified Property Fund is ASA Funds Management Limited (ABN 58 079 538 499) whose parent entity is ASA Real Estate Partners Pty Ltd (ABN 59 673 633 755)).

Key management personnel
(a) Directors

Timothy Slattery (Executive Director)
Howard Brenchley (Non-Executive Director)
Annabel McFarlane (Non-Executive Director)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Scheme, directly or indirectly during the year.

Other transactions within the Scheme
From time to time directors of ASA Funds Management Limited, or their director related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme unitholders and are trivial in nature.

21 Related party transactions (continued)

Management fees and other transactions
Under the terms of the Scheme's Constitution, the Responsible Entity is entitled to receive fees on an annual basis calculated by multiplying 0.65% (2024: 0.65%) by the gross asset value of the Scheme. Fees are paid monthly.

The Responsible Entity is also entitled to charge an annual performance fee in the form of cash or by issue of the Scheme's units. The Scheme's benchmark is an internal rate of return (IRR) of 10% on the Scheme's net asset value. Performance fee is calculated at 20% of the portion of the outperformance of the Scheme over the benchmark.

Administration expenses incurred in the day to day running of the Scheme are reimbursed in accordance with the Scheme's Constitution.

The transactions during the year and amount payable at 30 June 2025 between the Scheme and the Responsible Entity were as follows:

	2025	2024
	$	$
Management fees for the year paid and payable by the Scheme to the Responsible Entity	**3,416,877**	3,496,838
Administration expenses incurred by the Responsible Entity which are reimbursed in accordance with the Scheme's Constitution	**1,137,094**	1,436,563
Fees rebated by the Responsible Entity for the Scheme's investment in other schemes managed by the Responsible Entity's related parties	**-**	106,548
Aggregate amounts payable to the Responsible Entity at the end of the year	**370,134**	77,403

Fees incurred by the Scheme for the provision of key management personnel services are included in the management fee paid to the Responsible Entity

(a) *Other related party transactions*

Property related services to the Scheme include:

- Leasing and agency services;
- Market rent reviews;
- Property management services;
- Project management services;
- Development management services; and
- Debt arrangement services

The total fees paid/payable to ASA Operations 2 Pty Ltd for the year ended 30 June 2025 was $978,478 (2024: $2,562,000). Total accrued fees payable to ASA Operations 2 Pty Ltd as at 30 June 2025 was $4,562 (2024: $nil).

21 Related party transactions (continued)

Related party unitholdings

There are no related party unitholdings for 2025

2024

Unitholder	No. of units held opening '000	No. of units held closing '000	Fair value of investment* $'000	Interest held (%)	No. of units acquired '000	No. of units disposed '000	Distributions paid/payable by the Scheme $'000
Australian Unity Property Income Fund	4,040	2,563	2,730	1.00	-	(1,477)	172
Lifeplan Australia Friendly Society Limited	1,733	1,733	1,847	0.68	-	-	87
Total	5,773	4,296	4,577	1.68	-	(1,477)	259

*Fair value of investment includes accrued distribution at the end of the year.

22 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	2025	2024
	$'000	$'000
Profit for the year	5,066	1,665
Add back		
Interest expenses and debt establishment costs	13,425	11,006
Unrealised losses on financial instruments	5,082	3,501
Net change in fair value of the investment properties	(1,150)	3,870
Realised gain on investment properties	(84)	-
Net change in receivables	629	1,275
Net change in payables	(93)	(3,050)
Net change in other assets/prepayments	(97)	(87)
Adjustments to net lease incentives and straight line rental	2,052	(673)
Disposal costs	-	2,207
Net cash inflow from operating activities	24,830	19,714

(b) Non-cash operating and financing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	2,676	1,819

23 Parent entity financial information

Statement of financial position	2025 $'000	2024 $'000
Cash and cash equivalents	640	1,413
Receivables	155,543	170,925
Prepaid expenses	171	184
Investment in subsidiaries	181,122	149,304
Financial assets held at fair value through profit or loss	-	4,752
Investment properties	181,003	211,871
Total assets	518,479	538,449
Distributions payable	1,573	1,072
Payables	1,972	2,528
Financial liabilities held at fair value through profit or loss	330	-
Borrowings	250,681	263,959
Total liabilities	254,556	267,559
Net assets attributable to unitholders	263,923	270,890

23 Parent entity financial information (continued)

Statement of comprehensive income	**2025 $'000**	2024 $'000
Profit for the year	**5,066**	1,665
Other comprehensive income	**-**	-
Total comprehensive income/(loss) attributable to unitholders	**5,066**	1,665

The parent entity had no contingent assets, liabilities or capital commitments at 30 June 2025 or 30 June 2024.

24 Events occurring after end of the financial year

There has not been any matter or circumstance has arisen since 30 June 2025 that have significantly affected, or may significantly affect the operations of the Scheme, the result of operations, or the state of the Scheme's affairs for the year ended on that date.

25 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2025 and 30 June 2024.

Commitments arising from contracts principally relating to capital expenditure on investment properties which are contracted for at reporting date but not recognised on the consolidated statement of financial position are $803,397 (30 June 2024: $1,406,000).

In the opinion of the directors of ASA Funds Management Limited, as the Responsible Entity of ASA Diversified Property Fund (the Scheme):

(a) The consolidated financial statements and notes set out on pages 7 to 43 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   (ii) giving a true and fair view of the Scheme's financial position as at 30 June 2025 and of its performance, as represented by the results of its operations and cash flows for the year ended on that date.

(b) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable,

(c) The consolidated financial statements are in accordance with the Scheme's Constitution, and

(d) Note 2(a) confirms that the consolidated financial statements 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.

Howard Brenchley
Director

Timothy Slattery
Executive Director

10 September 2025

Independent Auditor's Report

To the unitholders of ASA Diversified Property Fund

Opinion

We have audited the ***Financial Report*** of ASA Diversified Property Fund (the Scheme).

In our opinion, the accompanying Financial Report of the Scheme gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001.*

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2025;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Scheme and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Group in accordance with 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in ASA Diversified Property Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of ASA Funds Management Limited as Responsible Entity of the Scheme are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors of the Responsible Entity for the Financial Report

The Directors of ASA Fund Management Limited as Responsible Entity of the Scheme are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and the Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/apzlwn0y/ar3_2024.pdf. This description forms part of our Auditor's Report.

KPMG

David Kells

Partner

Sydney

10 September 2025