

# Property and Income Opportunities Fund

ARSN 623 788 509

## Annual report For the year ended 30 June 2024

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This annual report covers Property and Income Opportunities Fund as an individual entity.

The Responsible Entity of Property and Income Opportunities Fund is Melbourne Securities Corporation Limited (ABN 57 160 326 545).

The Responsible Entity's registered office is:

Level 2, 395 Collins Street,  
Melbourne, VIC 3000.

## Directors' report

The directors of Melbourne Securities Corporation Limited, the Responsible Entity of Property and Income Opportunities Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2024.

### Principal activities

The Fund aims to use its network to source opportunities and invest the Fund's capital into a diversified mix of mispriced or misunderstood real property assets that are actively managed to unlock value and private credit opportunities where one can move quickly to fund what are expected to be higher yielding income opportunities.

The Fund did not have any employees during the year.

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

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited*
Investment Manager	Riviera Capital Pty Ltd
Custodian and Administrator	Apex Fund Services Pty Ltd (an Apex Group Company)
Statutory Auditor	Ernst & Young

\*On 10 February 2025, Melbourne Securities Corporation Limited was appointed as the Fund's Responsible Entity following the retirement of Equity Trustees Limited.

### Directors

The following persons held office as directors of Equity Trustees Limited during the period from 1 July 2023 to 9 February 2025:

Philip D Gentry	Chairman (resigned 6 June 2024)
Michael J O'Brien	Chairman (appointed 6 June 2024)
Russell W Beasley	(resigned 9 October 2024)
Mary A O'Connor	
David B Warren	
Andrew P Godfrey	(appointed 1 May 2024)
Johanna E Platt	(appointed 9 October 2024)

The following persons held office as directors of Melbourne Securities Corporation Limited from 10 February 2025 to the date of this report:

Michael Fleming  
 Matthew Fletcher  
 Steven O'Connell  
 Ruth McClelland  
 Shelley Brown

### Review and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 0.83% (net of fees) for the year ended 30 June 2024. The Fund does not operate against a benchmark.

The Fund's performance is calculated based on the percentage change in the Redemption Price in the Fund over the period (with any distributions paid during the period reinvested). Returns are disclosed after fees and expenses, but before taxes.

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

	Year ended	
	30 June 2024	30 June 2023
Profit/(loss) for the year (\$'000)	545	238
Distributions paid and payable (\$'000)	1,029	5,607
Distributions (cents per unit)	1.5657	8.7495

## Directors' report (continued)

### Significant changes in the state of affairs

On 21 August 2023, CPG Fund No. 2 changed its name to Property and Income Opportunities Fund.

On 26 September 2023 and 27 March 2024, the Fund issued a new Product Disclosure Statement (PDS).

Andrew P Godfrey was appointed as a director of Equity Trustees Limited on 1 May 2024.

Philip D Gentry resigned as a director of Equity Trustees Limited on 6 June 2024.

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

### Matters subsequent to the end of the financial year

On 9 October 2024, Russell W Beasley resigned as a director of Equity Trustees Limited, with Johanna E Platt being appointed as director on the same date.

Equity Trustees Limited has retired as the Responsible Entity of the Fund, which was approved by a majority of unit holders via extraordinary resolution at a meeting held on 11 December 2024. Melbourne Securities Corporation Limited has become the new Responsible Entity of the Fund with an effective date of 10 February 2025.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may have a significant effect on:

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

### Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

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

### Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regard to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

### Indemnification of auditor

The Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Fund against a liability incurred as auditor.

### Fees paid to and interests held in the Fund by the Responsible Entity and its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 14 to the financial statements.

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

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 14 to the financial statements.

### Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 7 to the financial statements.

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

## Directors' report (continued)

### Environmental regulation

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

### Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors of Melbourne Securities Corporation Limited through a delegated authority given by Melbourne Securities Corporation Limited's Board.



Shelley Brown  
Director  
Melbourne Securities Corporation Limited

14 March 2025



**Shape the future  
with confidence**

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## **Auditor's independence declaration to the directors of Melbourne Securities Corporation Limited as Responsible Entity for Property and Income Opportunities Fund**

As lead auditor for the audit of the financial report of Property and Income Opportunities Fund for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink that reads 'Jonathan Hall' in a cursive script.

Jonathan Hall  
Partner  
14 March 2025

**Property and Income Opportunities Fund**  
**Statement of comprehensive income**  
**For the year ended 30 June 2024**

**Statement of comprehensive income**

	Note	Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000
<b>Income</b>			
Dividend and distribution income		1,791	4,601
Net gains/(losses) on financial instruments at fair value through profit or loss		(814)	(4,061)
Other income		1	-
<b>Total income/(loss)</b>		<b>978</b>	<b>540</b>
<b>Expenses</b>			
Management fees and costs	14	433	-
Usual expenses	14	-	301
Transaction costs		-	1
<b>Total expenses</b>		<b>433</b>	<b>302</b>
<b>Profit/(loss) for the year</b>		<b>545</b>	<b>238</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>545</b>	<b>238</b>

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

**Statement of financial position**

	Note	As at	
		30 June 2024 \$'000	30 June 2023 \$'000
<b>Assets</b>			
Cash and cash equivalents	9	-	3,041
Receivables	11	1,392	328
Financial assets at fair value through profit or loss	5	69,521	70,299
<b>Total assets</b>		<b>70,913</b>	<b>73,668</b>
<b>Liabilities</b>			
Bank overdraft	9(a)	170	-
Distributions payable	8	684	5,257
Payables	12	271	255
<b>Total liabilities</b>		<b>1,125</b>	<b>5,512</b>
<b>Net assets attributable to unit holders - equity</b>	7	<b>69,788</b>	<b>68,156</b>

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

**Property and Income Opportunities Fund**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

**Statement of changes in equity**

	Note	Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000
<b>Total equity at the beginning of the financial year</b>		<b>68,156</b>	73,176
<b>Comprehensive income for the financial year</b>			
Profit/(loss) for the year		<b>545</b>	238
<b>Total comprehensive income</b>		<b>545</b>	238
<b>Transactions with unit holders</b>			
Applications	7	<b>2,432</b>	344
Redemptions	7	<b>(334)</b>	-
Reinvestment of distributions	7	<b>18</b>	5
Distributions paid and payable	7	<b>(1,029)</b>	(5,607)
<b>Total transactions with unit holders</b>		<b>1,087</b>	(5,258)
<b>Total equity at the end of the financial year</b>		<b>69,788</b>	68,156

*The above statement of changes in equity should be read in conjunction with the accompanying notes with reference to Notes 2c and 7.*

**Statement of cash flows**

	Note	Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments at fair value through profit or loss		13,405	16,540
Payments for purchase of financial instruments at fair value through profit or loss		(13,441)	(18,702)
Dividend and distributions received		1,937	4,692
Other income received		1	-
Management fees and costs paid		(417)	-
Usual expenses paid		-	(232)
Transaction costs paid		-	(1)
Other expenses paid		(15)	-
<b>Net cash inflow/(outflow) from operating activities</b>	10(a)	<b>1,470</b>	<b>2,297</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unit holders		1,237	344
Payments for redemptions by unit holders		(334)	-
Distributions paid to unit holders		(5,584)	(1,704)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(4,681)</b>	<b>(1,360)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,211)</b>	<b>937</b>
Cash and cash equivalents at the beginning of the year		3,041	2,104
<b>Cash and cash equivalents at the end of the year</b>	9	<b>(170)</b>	<b>3,041</b>
Non-cash operating and financing activities	10(b)	18	5

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

## Notes to the financial statements

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## 1. General information

These financial statements cover Property and Income Opportunities Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 25 January 2018 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Melbourne Securities Corporation Limited (ABN 57 160 326 545) (the "Responsible Entity"). The Responsible Entity's registered office is Level 2, 395 Collins Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund aims to use its network to source opportunities and invest the Fund's capital into a diversified mix of mispriced or misunderstood real property assets that are actively managed to unlock value and private credit opportunities where one can move quickly to fund what are expected to be higher yielding income opportunities.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2. Summary of material accounting policies

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

### a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holders option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

### i. Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

### ii. New and amended standards adopted by the Fund

The Fund has applied the following standards and amendments for the first time for its financial year beginning 1 July 2023:

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].

The amendments have had an impact on the Fund's disclosures of accounting policies, including the requirement to disclose 'material' rather than 'significant' accounting policies, but not on the measurement, recognition or presentation of any items in the Fund's financial statements.

None of the other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

### iii. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

## 2. Summary of material accounting policies (continued)

### b. Financial instruments

#### i. Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents and receivables, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable and management fees and costs payable).

#### ii. Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets and financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures a financial asset and a financial liability at its fair value. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair value of financial instruments is determined please see Note 4 to the financial statements.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents and receivables are carried at amortised cost.

#### iv. Impairment

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, due from brokers and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

## 2. Summary of material accounting policies (continued)

### b. Financial instruments (continued)

#### iv. Impairment (continued)

The expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

#### v. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when the Fund has 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.

As at the end of the reporting period, there are no financial assets or financial liabilities offset or with the right to offset in the statement of financial position.

### c. Net assets attributable to unit holders

Units are redeemable at the unit holders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

The Fund's units are classified 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 Fund'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 asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund'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.

### d. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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. Bank overdrafts are shown within borrowings in the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Fund's main income generating activity.

### e. Income

#### i. Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Changes in fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

#### ii. Dividend and distributions

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense.

Trust distributions are recognised on an entitlement basis.

## 2. Summary of material accounting policies (continued)

### f. Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis. Expenses such as Responsible Entity fees, management fees, custodian and administration fees, audit fees and other ordinary expenses of operating the Fund are covered under management fees and costs in the statement of comprehensive income.

### g. Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

### h. Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of changes in equity.

### i. Foreign currency translation

#### *i. Functional and presentation currency*

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

### j. Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

### k. Receivables

Receivables may include amounts for interest and trust distributions. Trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

### l. Payables

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

A separate distributions payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

### m. Applications and redemptions

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

### n. Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### o. Use of estimates and judgements

The financial assets at fair value through profit or loss currently held by the Fund are units in the unlisted unit trusts which have been measured at their net asset value (NAV) and majority of the NAV of the underlying investee is composed of investment properties as at 30 June 2024.

As a result, the Fund has exercised a significantly higher degree of judgment in measuring the fair value of its financial assets at fair value through profit or loss as at 30 June 2024.

## 2. Summary of material accounting policies (continued)

### o. Use of estimates and judgements (continued)

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

Certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

The Fund estimates that the resultant expected credit loss (ECL) derived from using impairment model, has not materially impacted the Fund. Please see Note 3 for more information on credit risk.

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

For more information on how fair value is calculated refer to Note 4 to the financial statements.

### p. Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

## 3. Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

All investments present a risk of loss of capital. The maximum loss of capital on unlisted unit trusts is limited to the fair value of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Riviera Capital Pty Ltd under an Investment Management Agreement (IMA) approved by the Responsible Entity, and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

### a. Market risk

#### i. Price risk

The Fund is exposed to price risk on unlisted equity securities and equity securities listed or quoted on recognised securities exchange, unlisted unit trusts and investment in loan trust. Price risk arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

The underlying investments of the Fund are infrequently repriced and generally not traded on recognised exchanges. Whilst this in itself helps mitigate price risk, the Investment Manager further manages this risk by diversifying the overall portfolio into markets and assets that are not closely correlated. Further, the Investment Manager will generally only invest into assets into which it has formed the view that upside value has either not been recognised or can be created, thereby providing cushion against adverse market movements.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Fund invests moves by +/-10% (2023: +/-10%).

#### ii. Cash flow and fair value interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible, thus limiting the exposure of the Fund to interest rate risk.

Interest rate risk is not considered a material risk by the Investment Manager, due to the nature of the Fund's ordinary investment activities. To the extent that interest bearing financial instruments are held, the Investment Manager will have an express preference towards floating rate issues to mitigating against adverse interest rate movements. Further, the Investment Manager generally seeks to acquire opportunities that are assessed to be trading below fair value, on a relative basis, thereby providing additional cushion against interest rate risk, as well as credit risk.

### 3. Financial risk management (continued)

#### a. Market risk (continued)

##### ii. Cash flow and fair value interest rate risk (continued)

The table below summarises the Fund's exposure to interest rate risk at the end of the reporting period.

	Fixed interest rate \$'000	Non- interest bearing \$'000	Total \$'000
<b>As at 30 June 2024</b>			
<b>Financial assets</b>			
Receivables	-	1,392	1,392
Financial assets at fair value through profit or loss	3,459	66,062	69,521
<b>Total financial assets</b>	<b>3,459</b>	<b>67,454</b>	<b>70,913</b>
<b>Financial liabilities</b>			
Bank overdraft	-	170	170
Distributions payable	-	684	684
Payables	-	271	271
<b>Total financial liabilities</b>	<b>-</b>	<b>1,125</b>	<b>1,125</b>
<b>Net exposure</b>	<b>3,459</b>	<b>66,329</b>	<b>69,788</b>
<b>As at 30 June 2023</b>			
<b>Financial assets</b>			
Cash and cash equivalents	-	3,041	3,041
Receivables	-	328	328
Financial assets at fair value through profit or loss	1,561	68,738	70,299
<b>Total financial assets</b>	<b>1,561</b>	<b>72,107</b>	<b>73,668</b>
<b>Financial liabilities</b>			
Distributions payable	-	5,257	5,257
Payables	-	255	255
<b>Total financial liabilities</b>	<b>-</b>	<b>5,512</b>	<b>5,512</b>
<b>Net exposure</b>	<b>1,561</b>	<b>66,595</b>	<b>68,156</b>

The table at Note 3(b) summarises the impact of an increase/decrease in interest rates on the Fund's operating profit and net assets attributable to unit holders through changes in fair value or changes in future cash flows. The analysis is based on the reasonably possible shift that the interest rates changed by +/- 100 basis points (2023: +/- 100 basis points) from the year end rates with all other variables held constant.

#### b. Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on operating profit/net assets attributable to unit holders	
	+10% \$'000	-10% \$'000
<b>As at 30 June 2024</b>	<b>6,952</b>	<b>(6,952)</b>
As at 30 June 2023	7,030	(7,030)

#### c. Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents. None of these assets are impaired nor past their due date. The maximum exposure to credit risk is the carrying of these balances as at the reporting date.

### 3. Financial risk management (continued)

#### c. Credit risk (continued)

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2024 and 30 June 2023 all receivables and cash are held with counterparties with a credit rating of B or higher and are either callable on demand or due to be settled within 1 week. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

#### i. Debt securities

The Fund invests in unrated debt securities. For unrated assets a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies. All debt securities must generally be of investment grade as opposed to non-investment grade (or high yield) as outlined in the Fund's Product Disclosure Statement.

An analysis of debt by rating is set out in the table below.

	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
<b>Loans</b>		
<b>Rating</b>		
Non - rated	3,459	10,002
<b>Total</b>	<b>3,459</b>	<b>10,002</b>

The Fund provides a loan to OP Fiduciary Pty Ltd at an interest rate of 12% p.a. The loan must be repaid to the Fund within 3 days of receiving a written demand from the Fund.

#### d. Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

As the Fund is an illiquid Fund, it is not exposed to liquidity risk on unit holder redemptions. The Fund manages liquidity risk by maintaining sufficient cash balances to meet its obligations.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during 2024 and 2023.

#### i. Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month.

### 4. Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets at fair value through profit or loss (see Note 5)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements.

#### 4. Fair value measurement (continued)

##### a. Valuations using level 1 inputs

The fair value of financial instruments traded in active markets (such as listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

##### b. Valuations using level 3 inputs

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

In February 2023, the Fund provided a senior secured loan facility of up to \$5m to OP Fiduciary Pty Ltd at rate of 12% per annum capitalised and repayable on demand. As at 30 June 2023 and 30 June 2024, the fair value of this loan represents the principal outstanding inclusive of capitalised interest.

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

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as: liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

##### c. Recognised fair value measurements

The table below presents the Fund's financial assets measured and recognised at fair value as at 30 June 2024 and 30 June 2023.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2024</b>				
<b>Financial assets</b>				
Unit trusts	-	-	66,062	66,062
Loans	-	-	3,459	3,459
<b>Total financial assets</b>	-	-	<b>69,521</b>	<b>69,521</b>
<b>As at 30 June 2023</b>				
<b>Financial assets</b>				
Listed securities	254	-	-	254
Unit trusts	-	-	60,043	60,043
Loans	-	-	10,002	10,002
<b>Total financial assets</b>	<b>254</b>	-	<b>70,045</b>	<b>70,299</b>

##### d. Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

#### 4. Fair value measurement (continued)

##### e. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the year ended 30 June 2024 and 30 June 2023 by class of financial instrument.

	Unit trusts \$'000	Loans \$'000	Total \$'000
Opening balance - 1 July 2022	71,974	-	71,974
Purchases	11,626	10,002	21,628
Sales	(10,148)	-	(10,148)
Gains/(losses) recognised in the statement of comprehensive income	(13,409)	-	(13,409)
<b>Closing balance - 30 June 2023*</b>	<b>60,043</b>	<b>10,002</b>	<b>70,045</b>
Transfers into/(out) from level 3	-	-	-
Loan to Millstone Agri Fund I converted into units on 7 December 2023 upon the establishment of Millstone Agri Fund I	<b>12,874</b>	<b>(12,874)</b>	-
Purchases	<b>10,633</b>	<b>6,206</b>	<b>16,839</b>
Sales	<b>(13,074)</b>	<b>(93)</b>	<b>(13,167)</b>
Gains/(losses) recognised in the statement of comprehensive income	<b>(4,414)</b>	<b>218</b>	<b>(4,196)</b>
<b>Closing balance - 30 June 2024*</b>	<b>66,062</b>	<b>3,459</b>	<b>69,521</b>

\*Includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period.

##### i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See Note 4(a) above for the valuation techniques adopted.

Description	Fair value \$'000	Unobservable inputs	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
<b>As at 30 June 2024</b>				
22-26 Constance Street Unit Trust	7,380	Unit price	N/A	Direct
DC Mentmore Rosebery Unit Trust	5,431	Unit price	N/A	Direct
CIL II Unit Trust	4,066	Unit price	N/A	Direct
Australian Unity Student Accommodation Fund	13,014	Unit price	N/A	Direct
Centuria Healthcare Property Fund	1,259	Unit price	N/A	Direct
Rosewood Secured Income Fund	2,152	Unit price	N/A	Direct
CPG Hampden Road Artarmon Unit Trust	1,485	Unit price	N/A	Direct
Genesis Secured Debt Fund	3,778	Unit price	N/A	Direct
Openpay Secured Debt Fund	6,165	Unit price	N/A	Direct
OP Fiduciary Pty Ltd	3,459	Discount rate	N/A	Direct
Millstone Agri Fund I	9,935	Unit price	N/A	Direct
Millstone Agri Fund II	9,647	Unit price	N/A	Direct
CPG Affinity Fund I	115	Recent transaction price	N/A	Direct
MadeComfy Secured Debt Fund	1,635	Unit price	N/A	Direct
<b>As at 30 June 2023</b>				
22-26 Constance Street Unit Trust	8,295	Unit price	N/A	Direct
DC Mentmore Rosebery Unit Trust	6,755	Unit price	N/A	Direct
CIL II Unit Trust	4,093	Unit price	N/A	Direct
Australian Unity Student Accommodation Fund	14,419	Unit price	N/A	Direct
Centuria Healthcare Property Fund	2,382	Unit price	N/A	Direct
Rosewood Secured Income Fund	11,847	Unit price	N/A	Direct
CPG Hampden Road Artarmon Unit Trust	1,553	Unit price	N/A	Direct
Genesis Secured Debt*	2,899	Replacement cost*	N/A	Direct
Openpay Secured Debt Fund	6,165	Unit price	N/A	Direct
OP Fiduciary Pty Ltd	1,561	Recent transaction price	N/A	Direct
Millstone Agri Fund I	8,441	Recent transaction price	N/A	Direct
MadeComfy Secured Debt Fund	1,635	Unit price	N/A	Direct

\*The Responsible Entity determined it was not possible to apply an income or market approach to the valuation of the investment in Genesis secured Debt Fund ("Genesis"), as a result, the Responsible Entity determined that the current replacement cost approach was the most appropriate basis to determine the value the fair value of the Genesis Bluebird gaming platform. As a result, the fair value of the Fund's investment in Genesis as at 30 June 2023 was \$2,899,000.

#### 4. Fair value measurement (continued)

##### e. Fair value measurements using significant unobservable inputs (level 3) (continued)

##### ii. Valuation processes

The Investment Manager engages with the managers of all underlying investments to ensure assets are regularly valued and fairly priced. Market value of an asset means:

- in the case of an asset that is an interest in a fund that is not listed or quoted for dealing on any financial market, the redemption price of the interest as last quoted by the Investment Manager, Trustee or Responsible Entity of the Fund plus any income entitlements accrued at that date as last advised by the Investment Manager, Trustee or Responsible Entity;
- in the case of any other asset, the value of the asset determined in accordance with relevant accounting standards or, if the Investment Manager is of the opinion that such valuation does not truly reflect the value of the asset, such value as last determined by a valuer (which must be reasonably current and determined in accordance with ordinary commercial practice, having regard to the type of assets involved and prevailing market conditions) at the expense of the Fund.

In respect of real property asset held by the various underlying funds, external experts will be engaged by the underlying funds to revalue assets as and when necessary and so valuations would usually be independent of us and the Investment Manager, although 'curb side' valuations of real property assets may be considered appropriate from time to time.

##### f. Financial instruments not carried at fair value

The carrying values of cash and cash equivalents, receivables and payables approximate their fair values due to their short-term nature.

#### 5. Financial assets at fair value through profit or loss

	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
Listed securities	-	254
Unit trusts	66,062	60,043
Loans	3,459	10,002
<b>Total financial assets at fair value through profit or loss</b>	<b>69,521</b>	<b>70,299</b>

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 3 and Note 4 to the financial statements.

#### 6. Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangement.

The Fund considers all investments in managed investment schemes (the "Schemes") to be structured entities. The Fund invests in Schemes for the purpose of capital appreciation and/or earning investment income.

The exposure to investments in unrelated Schemes at fair value is disclosed in the following table:

	Fair value of investment	
	As at	
	30 June 2024 \$'000	30 June 2023 \$'000
22-26 Constance Street Unit Trust	7,380	8,295
DC Mentmore Rosebery Unit Trust	5,431	6,755
CIL II Unit Trust	4,066	4,093
Australian Unity Student Accommodation Fund	13,014	14,419
Centuria Healthcare Property Fund	1,259	2,382
Rosewood Secured Income Fund	2,152	11,847
Genesis Secured Debt Fund	3,778	2,899
CPG Hampden Road Artarmon Unit Trust	1,485	1,553
CPG Affinity Fund I	115	-
Openpay Secured Debt Fund	6,165	6,165
MadeComfy Secured Debt Fund	1,635	1,635
Millstone Agri Fund I	9,935	-
Millstone Agri Fund II	9,647	-
<b>Total unrelated Schemes</b>	<b>66,062</b>	<b>60,043</b>

The fair value of the Schemes is included in financial assets at fair value through profit or loss in the statement of financial position.

## 6. Structured entities (continued)

The Fund's maximum exposure to loss from its interest in the Schemes is equal to the fair value of its investments in the Schemes as there are no off-balance sheet exposures relating to any of the Schemes. Once the Fund has disposed of its units in a Scheme it ceases to be exposed to any risk from that Scheme.

During the year ended 30 June 2024, total gains/(losses) incurred on investments in the Schemes were (\$4,414,425) (2023: (\$4,112,292)). The Fund also earned distribution income of \$1,787,973 (2023: \$4,592,010) as a result of its interests in the Schemes.

## 7. Net assets attributable to unit holders - equity

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments are classified as equity where certain criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions set out in Note 2(c). The Fund's units are classified as equity as they meet the definition of a financial instrument to be classified as equity.

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

	Year ended		Year ended	
	30 June 2024	30 June 2024	30 June 2023	30 June 2023
	Units '000	\$'000	Units '000	\$'000
Opening balance	64,089	68,156	63,785	73,176
Applications	2,249	2,432	300	344
Redemptions	(306)	(334)	-	-
Reinvestment of distributions	17	18	4	5
Distributions paid and payable	-	(1,029)	-	(5,607)
Profit/(loss) for the year	-	545	-	238
<b>Closing balance</b>	<b>66,049</b>	<b>69,788</b>	<b>64,089</b>	<b>68,156</b>

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

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Units are redeemed on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

### Capital risk management

The Fund considers its net assets attributable to unit holders as capital which is classified as equity. The amount of net assets attributable to unit holders can change significantly on monthly basis as the Fund is subject to monthly applications and redemptions at the discretion of unit holders.

Applications and redemptions are reviewed monthly relative to the liquidity of the Fund's underlying assets on a monthly basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

## 8. Distributions to unit holders

The distributions declared during the year were as follows:

	Year ended		Year ended	
	30 June 2024	30 June 2024	30 June 2023	30 June 2023
	\$'000	CPU	\$'000	CPU
<b>Distributions</b>				
December	345	0.5307	350	0.5468
June (payable)	684	1.0350	5,257	8.2027
<b>Total distributions</b>	<b>1,029</b>	<b>1.5657</b>	<b>5,607</b>	<b>8.7495</b>

## 9. Cash and cash equivalents

	As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
Cash at bank	-	3,041
<b>Total cash and cash equivalents</b>	<b>-</b>	<b>3,041</b>

### a. Reconciliation to statement of cash flows

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the year as follows:

	As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
Balance per above	-	-
Bank overdraft	(170)	-
<b>Balance per statement of cash flows</b>	<b>(170)</b>	<b>-</b>

## 10. 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

	Year ended	
	30 June 2024	30 June 2023
	\$'000	\$'000
Profit/(loss) for the year	545	238
Proceeds from sale of financial instruments at fair value through profit or loss	13,405	16,540
Payments for purchase of financial instruments at fair value through profit or loss	(13,441)	(18,702)
Net (gains)/losses on financial instruments at fair value through profit or loss	814	4,061
Net change in receivables	131	89
Net change in payables	16	71
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,470</b>	<b>2,297</b>

### b. Non-cash operating and financing activities

The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan

	18	5
<b>Total non-cash operating and financing activities</b>	<b>18</b>	<b>5</b>

## 11. Receivables

	As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
Distributions receivable	177	323
GST receivable	20	5
Applications receivable	1,195	-
<b>Total receivables</b>	<b>1,392</b>	<b>328</b>

## 12. Payables

	As at	
	30 June 2024	30 June 2023
	\$'000	\$'000
Management fees and costs payable	271	-
Usual expenses payable	-	255
<b>Total payables</b>	<b>271</b>	<b>255</b>

### 13. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of the Fund:

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
<b>Ernst &amp; Young</b>		
<i>Audit and other assurance services</i>		
Audit of financial statements	100,054	65,783
<b>Total auditor remuneration and other assurance services</b>	<b>100,054</b>	<b>65,783</b>
<i>Taxation services</i>		
Tax compliance services	9,052	8,704
<b>Total remuneration for taxation services</b>	<b>9,052</b>	<b>8,704</b>
<b>Total remuneration of Ernst &amp; Young</b>	<b>109,106</b>	<b>74,487</b>
<b>PricewaterhouseCoopers</b>		
<i>Audit and other assurance services</i>		
Audit of compliance plan	1,880	2,346
<b>Total auditor remuneration and other services</b>	<b>1,880</b>	<b>2,346</b>
<b>Total remuneration of PricewaterhouseCoopers</b>	<b>1,880</b>	<b>2,346</b>

The auditors' remuneration is borne by the Fund. Fees are stated exclusive of GST.

### 14. Related party transactions

From 1 July 2023 to 9 February 2025, the Responsible Entity of Property and Income Opportunities Fund was Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, the transactions with entities related to Equity Trustees Limited are disclosed below.

From 10 February 2025 to the date of the report, the Responsible Entity of Property and Income Opportunities Fund was Melbourne Securities Corporation Limited (ABN 57 160 326 545). Accordingly, the transactions with entities related to Melbourne Securities Corporation Limited are disclosed below.

The Responsible Entity has contracted services to Riviera Capital Pty Ltd, to act as Investment Manager for the Fund and Apex Fund Services Pty Ltd to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

#### a. Key management personnel

##### i. Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the financial year and up to the date of this report:

Philip D Gentry	Chairman (resigned 6 June 2024)
Michael J O'Brien	Chairman (appointed 6 June 2024)
Russell W Beasley	(resigned 9 October 2024)
Mary A O'Connor	
David B Warren	
Andrew P Godfrey	(appointed 1 May 2024)
Johanna E Platt	(appointed 9 October 2024)

The following persons held office as directors of Melbourne Securities Corporation Limited from 10 February 2025 to the date of this report:

Michael Fleming  
Matthew Fletcher  
Steven O'Connell  
Ruth McClelland  
Shelley Brown

##### ii. Responsible Entity

Other than fees paid to the Responsible Entity, there were no other transactions.

##### iii. Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial year.

#### b. Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

#### 14. Related party transactions (continued)

##### c. Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2024 (30 June 2023: nil).

##### d. Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

##### e. Key management personnel loans

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

##### f. Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving management personnel's interests existing at year end.

##### g. Responsible Entity fees, Investment Manager's fees and other transactions

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Year ended	
	30 June 2024 \$	30 June 2023 \$
Management fees and costs for the year	432,517	-
Usual expenses for the year	-	301,349
Management fees and costs payable at year end	271,146	-
Usual expenses payable at year end	-	255,218

Equity Trustees Limited earned \$64,564 (2023: \$24,883) for Responsible Entity services provided to the Fund paid from management fees and costs.

The management fees borne by the Fund are paid to the Investment Manager, who in turn provides the on-payment of the fees to the respective service providers. Management fees and costs include Responsible Entity fees, Custodian and Administrator fees and other expenses.

For information on how management fees and costs are calculated please refer to the Fund's Product Disclosure Statement.

##### h. Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other Funds managed by Equity Trustees Limited), held units in the Fund as follows:

	Number of units held opening	Number of units held closing	Fair value of investment \$	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund \$
<b>Unit holder</b>							
<b>As at 30 June 2024</b>							
Riviera Capital Pty Ltd	100	100	106	0.0002	-	-	2
<b>As at 30 June 2023</b>							
Riviera Capital Pty Ltd	100	100	116	0.0002	-	-	8

#### 14. Related party transactions (continued)

##### i. Investments held by the Fund and managed by the Investment Manager and its related parties

The Fund held investments in the following schemes which are also managed by Equity Trustees Limited, Investment Manager or its related parties:

	Fair value of investment	Interest held	Distributions earned	Distributions receivable	Units acquired during the year	Units disposed during the year
	\$	%	\$	\$		
<b>As at 30 June 2024</b>						
OP Fiduciary Pty Ltd	3,458,626	N/A	N/A	N/A	N/A	N/A
Millstone Agri Fund I	9,935,151	68%	-	-	20,446,365	-
Millstone Agri Fund II	9,647,265	68%	-	-	20,899,563	-
Rosewood Secured Income Fund	2,151,515	7%	570,318	11,654	2,680,000	12,375,292
MadeComfy Secured Debt Fund	1,635,000	23%	248,661	16,471	-	-
Genesis Secured Debt Fund	3,778,491	18%	-	-	-	-
Openpay Secured Debt Fund	6,165,000	25%	15,923	-	-	-
<b>As at 30 June 2023</b>						
OP Fiduciary Pty Ltd	1,560,897	100%	N/A	N/A	N/A	N/A
Millstone Agri Fund I	8,440,851	100%	N/A	N/A	N/A	N/A
Rosewood Secured Income Fund	11,846,807	36%	900,229	58,305	2,000,000	4,434,720
MadeComfy Secured Debt Fund	1,635,000	23%	123,946	15,931	1,835,000	200,000
Genesis Secured Debt Fund	2,899,318	18%	-	-	-	-
Openpay Secured Debt Fund	6,165,000	25%	65,450	-	6,165,000	-

During the year 2023, Property and Income Opportunities Fund (RVCP) acquired units in Openpay Secured Debt Fund from Special Opportunities Fund No.1 (RVSO) at fair value through iPlatforms Nominees Pty Ltd (the Trustee of Openpay Secured Debt Fund). OP Fiduciary Pty Ltd (OP Fiduciary) is the sub-trustee of the Openpay Secured Debt Fund and an authorised representative of Riviera Capital Pty Ltd (Riviera). Riviera, Alteris Private and OP Fiduciary are all part of the Alteris group of companies.

MC Fiduciary Pty Ltd (MC Fiduciary) is the sub-trustee of the MadeComfy Secured Debt Fund. MC Fiduciary is an authorised representative of Riviera Capital Pty Ltd (Riviera). Riviera, Alteris Private and MC Fiduciary are all part of the Alteris group of companies.

Rosewood Fiduciary Pty Ltd (Rosewood Fiduciary) is the sub-trustee of the Rosewood Secured Income Fund. Rosewood Fiduciary is an authorised representative of Riviera Capital Pty Ltd (Riviera). Riviera, Alteris Private and Rosewood Fiduciary are all part of the Alteris group of companies.

Genesis Fiduciary Pty Ltd (Genesis Fiduciary) is the sub-trustee of the Genesis Secured Debt Fund. Genesis Fiduciary is an authorised representative of Riviera Capital Pty Ltd (Riviera). Riviera, Alteris Private and Genesis Fiduciary are all part of the Alteris group of companies.

Alteris Private was the trustee for Millstone Agri Fund I as of 30 June 2023. Riviera Capital Pty Ltd is Fund Manager and JV partner of Millstone Agri Fund I. Riviera Capital Pty Ltd and Alteris Private are all party of the Alteris group of companies. On 6 November 2023, Alteris Private Pty Ltd was replaced by One Fund Services Ltd as the new trustee for Millstone Agri Fund I.

#### 15. Events occurring after the reporting period

On 9 October 2024, Russell W Beasley resigned as a director of Equity Trustees Limited, with Johanna E Platt being appointed as director on the same date.

Equity Trustees Limited has retired as the Responsible Entity of the Fund, which was approved by, a majority of, unit holders via extraordinary resolution at a meeting held on 11 December 2024. Melbourne Securities Corporation Limited has become the new Responsible Entity of the Fund with an effective date of 10 February 2025.

No other significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

#### 16. Contingent assets and liabilities and commitments

OP Fiduciary Pty Ltd has \$5 million (2023: \$5 million) commitment and \$3.5 million (2023: \$1.6 million) was drawn as at 30 June 2024.

There were no other outstanding contingent assets, liabilities or commitments as at 30 June 2024 and 30 June 2023.

### Directors' declaration

In the opinion of the directors of Melbourne Securities Corporation Limited:

- a. The financial statements and notes set out on pages 6 to 25 are in accordance with the *Corporations Act 2001*, including:
  - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
  - ii. giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the financial year ended on that date.
- b. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- c. Note 2(a) confirms that the financial statements also comply with the 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 Melbourne Securities Corporation Limited through a delegated authority given by Melbourne Securities Corporation Limited's Board.



Shelley Brown  
Director  
Melbourne Securities Corporation Limited

14 March 2025

## Independent Auditor's Report to the unitholders of Property and Income Opportunities Fund

### Opinion

We have audited the financial report of Property and Income Opportunities Fund (the Fund), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

- a. Giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

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

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

### Information other than the financial report and auditor's report thereon

The Directors of the Melbourne Securities Corporation Limited (Responsible Entity) are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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



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## **Responsibilities of the Directors for the Financial Report**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Responsible Entity.
- ▶ Conclude on the appropriateness of the Directors of the Responsible Entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.



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

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

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Jonathan Hall' in a cursive style.

Jonathan Hall  
Partner  
14 March 2025