L1 UK Residential Fund

ARSN 693 178 773

Annual report

For the period 5 December 2025 to 30 June 2026

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Independent auditor's report to the unit holders of L1 UK Residential Fund

This annual report covers L1 UK Residential Fund as an individual entity.

The Responsible Entity of L1 UK Residential Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 22, 530 Collins Street
Melbourne, VIC 3000.

Directors' report

The Directors of Equity Trustees Limited, the Responsible Entity of L1 UK Residential Fund (the "Fund"), present their report together with the financial statements of the Fund for the period from 5 December 2025 to 30 June 2026.

Principal activities

The Fund was constituted on 25 November 2025, registered with the Australian Securities and Investments Commission on 5 December 2025 and commenced operations on 9 February 2026.

The objective of the Fund is to deliver a target internal rate of return of 10% p.a. (net of fees and expenses, before tax) over a rolling 5-year period. As part of this target, the Fund has a target average distribution yield of approximately 3-4% p.a. (net of fees and expenses, before tax).

The Fund will seek to deliver this return through investment over the long term primarily in residential property throughout the United Kingdom via an Australian unit trust, L1 UK Holding Trust ("Holding Trust"), which is a sole investor in a real estate investment trust, UK Residential REIT Limited ("REITCo"), a Jersey incorporated company.

The Fund was recently established and indirectly holds substantial interests in a number of properties as a result of the acquisition by the Fund, via its Holding Trust and REITCo, of substantially all of the interests (whether directly or indirectly) in L1 Capital UK Residential Property Fund III and L1 Capital UK Residential Property Fund IV ("Existing Funds"), approved by special resolution of members in each of those funds on the 26 February 2026.

The Fund did not have any employees during the period.

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

The various service providers for the Fund are detailed below:

Service	**Provider**
Responsible Entity	Equity Trustees Limited
Investment Manager	L1 UK Property Investments Pty Ltd
Administrator and Custodian	Apex Fund Services Pty Ltd
Statutory Auditor	Ernst & Young

Directors

The following persons held office as directors of Equity Trustees Limited during the period and up to the date of this report:

Michael J O'Brien	Chairman
Russell W Beasley	(appointed 1 July 2025, resigned 6 October 2026)
David B Warren	
Andrew P Godfrey	
Johanna E Platt	

Review and results of operations

During the period, the Fund invested its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance for the period from 5 December 2025 to 30 June 2026 was -7.06% (net of fees) for the Hedged AUD Class, -5.67% (net of fees) for the Unhedged AUD Class and -0.60% (net of fees) for the GBP Class. The Fund does not operate against a benchmark.

The Fund's performance is based on the percentage change in the unit price (before distributions) over the period which is denominated in Australian Dollar (Hedged AUD Class and the Unhedged AUD Class) and Pound Sterling (GBP Class). Returns are disclosed after fees, expenses and taxes.

Directors' report (continued)

Review and results of operations (continued)

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

	For the period 5 December 2025 to 30 June 2026
Profit/(loss) before finance costs attributable to unit holders for the period (£'000)	**(736)**
Hedged AUD Class	
Distributions paid and payable (£'000)	**268**
Distributions (pence per unit)	**0.78**
Unhedged AUD Class	
Distributions paid and payable (£'000)	**699**
Distributions (pence per unit)	**0.78**
GBP Class	
Distributions paid and payable (£'000)	**76**
Distributions (pence per unit)	**1.50**

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2026 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 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 period, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Fund against a liability incurred as auditor.

Directors' report (continued)

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 the Fund's property during the period are disclosed in Note 17 to the financial statements.

No fees were paid out of the Fund's property to the directors of the Responsible Entity during the period.

No interests in the Fund were held by the Responsible Entity or its associates as at the end of the financial period.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 9 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.

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 pound sterling

Amounts in the Directors' report have been rounded to the nearest thousand pound sterling in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*, 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 Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Andrew P Godfrey
Director

Melbourne
15 October 2026

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Shape the future with confidence

Auditor's independence declaration to the Directors of Equity Trustees Limited as the Responsible Entity of L1 UK Residential Fund

As lead auditor for the audit of the financial report of L1 UK Residential Fund for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

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

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

Ernst & Young

Ernst & Young

Emma Reekie
Partner
15 October 2026

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Statement of comprehensive income

	Notes	For the period 5 December 2025 to 30 June 2026 £'000
Income		
Net gains/(losses) on financial instruments at fair value through profit or loss		**3,292**
Distribution income		**1,042**
Net foreign exchange gains/(losses)		**16**
Management fee and costs reimbursement		**10**
Total income/(loss)		**4,360**
Expenses		
Management fees and costs	17	**156**
Professional fees		**6**
Income tax expense	15	**4,932**
Other expenses		**2**
Total expenses		**5,096**
Profit/(loss) before finance costs attributable to unit holders for the period		**(736)**
Finance costs attributable to unit holders		
Distributions to unit holders	10	**(1,043)**
(Increase)/decrease in net assets attributable to unit holders	9	**1,779**
Profit/(loss) for the period		**-**
Other comprehensive income		**-**
Total comprehensive income/(loss) for the period		**-**

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

Statement of financial position

	Notes	As at 30 June 2026 £'000
Assets		
Cash and cash equivalents	11	**120**
Distributions receivable		**1,042**
Receivables	13	**12**
Financial assets at fair value through profit or loss	5	**69,869**
Total assets		**71,043**
Liabilities		
Payables	14	**166**
Distributions payable	10	**1,043**
Applications received in advance		**16**
Deferred tax liabilities	15	**4,932**
Financial liabilities at fair value through profit or loss	6	**316**
Total liabilities (excluding net assets attributable to unit holders)		**6,473**
Net assets attributable to unit holders - liability	9	**64,570**

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

Statement of changes in equity

	For the period 5 December 2025 to 30 June 2026 £'000
Total equity at the beginning of the financial period	-
Comprehensive income for the financial period	
Profit/(loss) for the period	-
Other comprehensive income	-
Total comprehensive income/(loss)	-
Transactions with unit holders in their capacity as owners	-
Total equity at the end of the financial period*	-

*Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the beginning or end of the financial period.

The above statement of changes in equity should be read in conjunction with the accompanying notes with reference to Notes 2(d) and 9.

Statement of cash flows

	Notes	For the period 5 December 2025 to 30 June 2026 £'000
Cash flows from operating activities		
Payments for purchase of financial instruments at fair value through profit or loss		**(1,217)**
Net cash inflow/(outflow) from operating activities	12	**(1,217)**
Cash flows from financing activities		
Proceeds from application by unit holders		**1,321**
Net cash inflow/(outflow) from financing activities		**1,321**
Net increase/(decrease) in cash and cash equivalents		**104**
Cash and cash equivalents at the beginning of the period		**-**
Effect of foreign currency exchange rate changes on cash and cash equivalents		**16**
Cash and cash equivalents at the end of the period	11	**120**
Non-cash operating and financing activities		
Applications by unit holders due to restructure	12(b)	**65,044**
Purchase of financial instruments at fair value through profit or loss - units in Existing Funds	12(b)	**(65,044)**
Sale of investments in Existing Funds	12(b)	**65,044**
Purchase of financial instruments at fair value through profit or loss - units in Holding Trust	12(b)	**(65,044)**
Total non-cash operating and financing activities		**-**

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 L1 UK Residential Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 25 November 2025 and registered with the Australian Securities and Investments Commission on 5 December 2025. The Fund commenced operations on 9 February 2026 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 22, 530 Collins Street, Melbourne, VIC 3000. The financial statements are presented in the pound sterling (GBP) currency unless otherwise noted.

The investment activities of the Fund are managed by L1 UK Property Investments Pty Ltd (the "Investment Manager"). The custody and administration services of the Fund are delegated to Apex Fund Services Pty Ltd (the "Custodian and Administrator").

The objective of the Fund is to deliver a target internal rate of return of 10% p.a. (net of fees and expenses, before tax) over a rolling 5 year period. As part of this target, the Fund has a target average distribution yield of approximately 3-4% p.a. (net of fees and expenses, before tax).

The Fund will seek to deliver this return through investment over the long term primarily in residential property throughout the United Kingdom via an Australian unit trust, L1 UK Holding Trust ("Holding Trust"), which is a sole investor in a real estate investment trust, UK Residential REIT Limited ("REITCo"), a Jersey incorporated company.

The Fund has been recently formed and indirectly holds substantial interests in a number of properties as a result of the acquisition by the Fund, via its Holding Trust and REITCo, of substantially all of the interests (whether directly or indirectly) in L1 Capital UK Residential Property Fund III and L1 Capital UK Residential Property Fund IV ("Existing Funds"), approved by special resolution of members in each of those funds on the 26 February 2026.

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 policy information

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period 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 quarterly 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.

2 Summary of material accounting policy information (continued)

a. Basis of preparation (continued)

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 standards and interpretations not yet adopted

AASB 18 *Presentation and Disclosure in Financial Statements*

AASB 18 was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The new standard introduces new requirements for the statement of comprehensive income, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for “operating profit” and “profit before financing and income taxes”.

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual periods beginning on or after 1 January 2027 and will be applied retrospectively by the Fund for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the statement of comprehensive income and statement of financial position line items are presented as well as some additional disclosures in the notes to the financial statements. Management is in the process of assessing the impact of the new standard.

AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments* [AASB 7 & AASB 9] (effective for annual periods beginning on or after 1 January 2026).

In July 2024, the AASB issued amendments to AASB 7 *Financial Instruments: Disclosures and AASB 9 Financial Instruments*. This amendment amends requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance and similar features. It also amends disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026.

Management is currently working to identify all the impacts of the new standards and amendments on the primary financial statements and the related notes.

Certain amendments to accounting standards have been published that are not mandatory for the 30 June 2026 reporting year and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

b. Financial instruments

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.

2 Summary of material accounting policy information (continued)

b. Financial instruments (continued)

i. Classification

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 investment asset is its investment in the Holding Trust. The Holding Trust is managed, and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy as outlined in the Product Disclosure Statement. 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.

- *Financial instruments to be measured at fair value through profit or loss*

Investment in the Holding Trust and derivatives securities are measured at fair value through profit or loss.

- *Financial assets to be measured at amortised cost*

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

- *Financial liabilities*

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

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 (payables and applications received in advance).

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 or 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.

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 carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of all financial assets and liabilities are measured at fair value through profit or loss. Gains and losses arising from changes in their value are presented in the statement of comprehensive income in the year in which they arise.

For further details on how the fair value of financial instruments is determined 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 ("ECL").

Cash and cash equivalents, receivables, payables and applications received in advance are carried at amortised cost.

2 Summary of material accounting policy information (continued)

b. Financial instruments (continued)

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 and receivables) at an amount equal to the lifetime ECL 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 ECL. Significant financial difficulties of the counterparty, probability that the counterparty 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.

The 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. Investment entity subsidiaries

In accordance with the Fund's Product Disclosure Statement dated 16 January 2026 the Fund has been constituted to invest in one or more holding trusts to hold residential property in the United Kingdom. The Fund currently invests in and controls one Holding Trust which is considered to be a subsidiary. The Fund invests indirectly in residential properties for the purpose of capital appreciation and earning investment income.

Under AASB 10 *Consolidated Financial Statements*, the Fund is considered an investment entity and is, therefore, exempt from preparing consolidated financial statements.

vi. Offsetting financial instruments

Financial assets and 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 liabilities offset or with the right to offset in the statement of financial position.

c. Derivative financial instruments

The Fund has entered into derivative financial instruments, in the form of forward foreign exchange contracts to hedge against foreign exchange rate movements of the unit holders of hedged units.

The Fund has not adopted hedge accounting. Derivative financial instruments are classified as financial instruments at fair value through profit or loss. Derivative financial instruments are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. Subsequent changes in fair value are recognised in the statement of comprehensive income.

Fair value is determined by using valuation techniques with reference to observable market inputs for similar instruments. The fair value of all derivative contracts has been confirmed with the counterparty.

Derivative financial instruments are presented as current assets or liabilities as appropriate if they are expected to be settled within 12 months or presented as non-current assets or liabilities if they are expected to be settled more than 12 months after the end of the reporting year.

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

2 Summary of material accounting policy information (continued)

d. 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 Fund's units are classified as equity when 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 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.

As this is a multi-class Fund, units are classified as financial liabilities as they do not meet the requirements of equity in accordance with AASB *132 Financial Instruments: Presentation.*

The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to 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.

e. 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.

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 represent the Fund's main income generating activity.

f. 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.

ii. Distribution income

Distributions are recognised on an entitlement basis.

2 Summary of material accounting policy information (continued)

f. Income (continued)

iii. Net gains/(losses) on financial instruments

Net gains/(losses) on financial instruments arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point. Net gains/(losses) do not include interest or distribution income. Realised and unrealised gains/(losses) are shown in the notes to the financial statements.

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) (iii) to the financial statements.

g. Expenses

All expenses are recognised in the statement of comprehensive income on an accrual basis.

The management fees and costs cover certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees and administration and audit fees.

h. Income tax

Under current legislation, the Fund is not subject to income tax in Australia provided it attributes the entirety of its taxable income to its unit holders on a present entitlement basis.

The Fund has direct and indirect interests in UK property investments through its investments in underlying entities. Under the UK non-resident capital gains tax regime, the Fund is responsible for filing a UK capital gains tax return and paying any associated UK tax when it receives capital gains distributions from the underlying entities. As certain underlying entities are exempt from UK capital gains tax under the applicable UK tax regime, capital gains realised on the disposal of underlying properties may ultimately give rise to UK capital gains tax obligations at the Fund level. Accordingly, the statement of financial position includes a deferred tax liability for UK capital gains tax that may arise on capital gain distributions receivable from the underlying entities upon the disposal of properties. The related expense for the year is recognised as income tax expense in the statement of comprehensive income.

Deferred tax is recognised in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted.

A deferred tax liability is recognised when there is a taxable temporary difference between the tax base of an asset or liability and its corresponding carrying amount in the consolidated statement of financial position. This arises when the carrying amount of an asset exceeds its tax base.

The amount of the applicable taxes due in the UK is recognised as income tax expense in the statement of comprehensive income on an accrual basis. The amount of any UK tax paid, where applicable, will be disclosed as Foreign Income Tax Offset (FITO) in the unit holders' annual AMMA tax statement.

For income tax purposes, the Fund has made a functional currency election being the Pound sterling.

i. Distributions

The Fund may distribute its distributable income, in accordance with the Fund’s Constitution, to unit holders by cash. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

2 Summary of material accounting policy information (continued)

j. Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. As the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

k. 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 pound sterling which reflects the currency of the economy in which the Fund operates. The pound sterling is also the Fund's presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments at fair value through profit or loss which is due to changes in foreign exchange rates. Such fluctuations are included within net gains/(losses) on financial instruments at fair value through profit or loss.

l. 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 monthly basis. Amounts are generally received within 30 days of being recorded as receivables.

m. Payables

Payables include liabilities, accrued expenses owed by the Fund and any distributions declared 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.

n. 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.

o. 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 related to GST are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as an operating cash flow.

2 Summary of material accounting policy information (continued)

p. Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current financial period 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 affected.

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 the experienced personnel of the Investment Manager.

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.

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

q. Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand pound sterling, unless otherwise indicated.

r. Comparative period

The Fund was constituted on 25 November 2025, registered with the Australian Securities and Investments Commission on 5 December 2025 and commenced operations on 9 February 2026. The reporting period covers the period 5 December 2025 to 30 June 2026, hence there is no comparative information.

3 Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange 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. The Fund's policy allows it to use derivative financial instruments in managing its financial risks

The objective of risk management is to identify, assess, manage and monitor the risks to which the Fund is exposed, and to ensure the appropriate risk management policies and controls are in place. Risk management policies are reviewed regularly by the Investment Manager to ensure they reflect changes in market conditions.

All investments present a risk of loss of capital. The maximum loss of capital on unit trusts is limited to the fair value of those positions. The maximum loss of capital on forward currency contracts is limited to the notional contract values of those positions

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, L1 UK Property Investments Pty Ltd, under an Investment Management Agreement (IMA) approved by the Responsible Entity, containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement. L1 UK Property Pty Ltd, a UK registered subsidiary company of the Investment Manager company, is also a party to this agreement and is the UK based specialist property investment manager.

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

3. Financial risk management (continued)

a. 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns to investors.

i. Price risk

The Fund is exposed to price risk on its investment in the Holding Trust. The Fund has a significant concentration of risk arising from its exclusive investment in the Holding Trust. As at 30 June 2026, the Fund's investment in the Holding Trust represents 100% of the Fund's financial assets at fair value through profit or loss.

The price risk of the Holding Trust is managed by L1 UK Property Investments Pty Ltd in its capacity as investment manager. As the underlying properties are held through a series of other trusts that are, in turn, held by the Holding Trust, L1 UK Property Investments Pty Ltd manages this risk by actively overseeing the underlying property investments and maintaining a geographically diversified investment portfolio. Also, unit prices for investors are denominated in Australian dollars so investors are at risk of movements in the exchange rate between Pound sterling and the Australian dollar. In order to mitigate risk, investors were given the option to invest in hedged units. The risk is managed through the Fund or the Holding Trust entering into a hedging agreement with the financial services company to fix the rate that hedged units will be converted in pound sterling as necessary.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. This analysis is based on the assumption that the unobservable inputs used in the valuation of the investment properties held by the Holding Trust move by +/- 10%.

ii. Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets and liabilities denominated in currencies other than the pound sterling. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The Investment Manager monitors the Fund's currency position on a regular basis.

The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the pound sterling weakened and strengthened by 10% against the significant foreign currencies to which the Fund is exposed.

The table below summarises the fair value of the Fund's financial assets and liabilities, monetary and non-monetary, which are denominated in Australian dollars (AUD), the Fund's main currency exposure at the end of the reporting period.

	As at 30 June 2026 £'000
Cash and cash equivalents	**110**
Receivables	**2**
Payables	**(20)**
Distributions payable	**(967)**
Applications received in advance	**(6)**
Financial liabilities at fair value through profit or loss	**(316)**
Net exposure	**(1,197)**

3 Financial risk management (continued)

a. Market risk (continued)

iii Cash flow and fair value interest rate risk

The Fund's interest rate risk is associated with cash and cash equivalents.

The Fund's interest bearing financial instruments expose it to risks associated with the effects of fluctuations in the prevailing market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. The impact of the interest rate risk on profit and net assets attributable to unit holders is considered immaterial to the Fund.

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.

b. Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's profit/(loss) 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 foreign exchange rates, 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 profit/(loss)/net assets attributable to unit holders			
	Price risk		Foreign exchange risk	
	+10%	-10%	+10%	-10%
	£'000	£'000	£'000	£'000
As at 30 June 2026	**6,955**	**(6,955)**	**(120)**	**120**

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 manages credit risk by only entering agreements with credit worthy parties.

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.

i. Cash and cash equivalents

At 30 June 2026, cash and cash equivalents are held with counterparties with a credit rating of AA- (based on the Standard & Poor's (S&P) indices) or higher and are either callable on demand or due to be settled within 1 week. Management considers 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 ECL as any such impairment would be wholly insignificant to the Fund.

A summary of the credit ratings for the financial institutions used by the Fund are as follows (based on the S&P indices):

	As at 30 June 2026
National Australia Bank Limited	**AA-**

3 Financial risk management (continued)

c. Credit risk (continued)

ii. Derivative financial instruments

For derivative financial instruments, the Investment Manager has the ultimate responsibility of managing the derivatives. The Fund's derivative positions will include positions selected by the investment strategies chosen by the Investment Manager from time to time.

The Fund also restricts its exposure to credit losses on the trading of derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers). Credit risk associated with favourable contracts is reduced by master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on a net basis. The Fund's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangements.

d. Liquidity risk

i. Maturities of non-derivative financial liabilities

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 significantly disadvantageous.

Exposure to liquidity risk for the Fund may arise from the requirement to meet quarterly unit holder redemption requests, margin calls on derivative transactions or to fund foreign exchange related cash flow requirements.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to reject, 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 the period 5 December 2025 to 30 June 2026.

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month £'000	1 to 6 months £'000	6 to 12 months £'000	Over 12 months £'000	Total £'000
As at 30 June 2026					
Payables	**-**	**166**	**-**	**-**	**166**
Distributions payable	**-**	**1,043**	**-**	**-**	**1,043**
Subscription received in advance	**16**	**-**	**-**	**-**	**16**
Net assets attributable to unit holders – liability	**-**	**-**	**-**	**64,570**	**64,570**
Contractual cash flows (excluding derivatives)	**16**	**1,209**	**-**	**64,570**	**65,795**

3 Financial risk management (continued)

d. Liquidity risk (continued)

ii. Maturities of net settled derivative financial instruments

The table below analyses the Fund's net settled derivative financial instruments based on their contractual maturity. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

	Less than 1 month £'000	1 to 6 months £'000	6 to 12 months £'000	Over 12 months £'000	Total £'000
As at 30 June 2026					
Net settled derivatives					
Forward currency contracts	**-**	**49**	**108**	**159**	**316**
Total net settled derivatives	**-**	**49**	**108**	**159**	**316**

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/liabilities at fair value through profit or loss (see Note 5 and Note 6)
- Derivative financial instruments (see Note 7)

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.

a. Significant observable inputs (Level 2)

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all material inputs required to fair value an instrument are observable, the instrument is included in level 2.

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.

Specific valuation techniques using observable inputs used to value financial instruments include:

- Foreign currency forwards are valued at the present value of future cash flows based on the forward exchange rates at the balance sheet date.

4 Fair value measurement (continued)

b. Significant unobservable inputs (Level 3)

The fair value of financial instruments that are determined using valuation techniques that rely on material inputs that are not observable are included in level 3 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.

Specific valuation techniques used to value financial instruments include:

- Units in the Unlisted Holding Trust are recorded at the net asset value per unit as reported by the investment managers of such funds. The Fund may adjust 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.

The Fund's investments in unlisted Holding Trust constitute of units in the Holding Trust. The Fund's investment in the Holding Trust is recorded at the net asset value as calculated by the Holding Trust's administrator.

c. Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2026.

As at 30 June 2026	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
L1 UK Holding Trust	**-**	**-**	**69,869**	**69,869**
Total financial assets	**-**	**-**	**69,869**	**69,869**
Financial liabilities				
Forward currency contract	**-**	**316**	**-**	**316**
Total financial liabilities	**-**	**316**	**-**	**316**

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.

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

The following table presents the movement in level 3 instruments for the period 5 December 2025 to 30 June 2026 by class of financial instrument.

	Unlisted unit trust £'000
Opening balance – 5 December 2025	**-**
Purchases	**66,261**
Gains/(losses) recognised in the statement of comprehensive income*	**3,608**
Closing balance – 30 June 2026	**69,869**

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

4 Fair value measurement (continued)

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

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(b) above for the valuation techniques adopted.

Description	Valuation Method	Fair value £'000	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
As at 30 June 2026 Unlisted unit trust	**Fair Value**	**69,869**	**Holding Trust's Net Asset Value (NAV) as at 30 June 2026**	**N/A**	**Direct**

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

ii. Valuation processes

The Fund's investment in the L1 UK Holding Trust is measured at fair value through profit or loss for the period ended 30 June 2026. The fair value of the investment is determined based on the net asset value of the Holding Trust, which reflects the fair value of its underlying investments. The L1 UK Holding Trust holds 100% of the issued capital of UK Residential REIT Limited, which indirectly owns a portfolio of United Kingdom residential properties through the Existing Funds and subsidiary property companies. The underlying residential properties are measured at fair value, with property valuations determined by independent external valuers at the reporting date. Accordingly, the fair value of the Fund's investment in the Holding Trust reflects its proportionate interest in the net assets of the Holding Trust, including changes in the fair value of the underlying investment properties held through the Existing Funds and subsidiary property companies.

f. Financial instruments not carried at fair value

The financial instruments not measured at fair value through the profit and loss include:

i. Cash and cash equivalents, and receivables/payables. These are short-term financial assets and financial liabilities whose carrying values approximate fair value, because of their short-term nature and the high credit quality of counterparties; and

ii. Net assets attributable to unit holders, as the Fund routinely redeems and issues units at an amount equal to the proportionate share of the Fund's net assets at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying value of net assets attributable to unit holders approximates their fair value. Any difference is not material in the current period.

5 Financial assets at fair value through profit or loss

	As at 30 June 2026 £'000
L1 UK Holding Trust	**69,869**
Total financial assets at fair value through profit or loss	**69,869**

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 Financial liabilities at fair value through profit or loss

	As at 30 June 2026 £'000
Forward currency contracts	316
Total financial liabilities at fair value through profit or loss	**316**

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

7 Derivative financial instruments

In the normal course of business, the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values, foreign exchange risk or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed-delivery or forward commitment transactions. Leverage may be incurred when it is believed that it is advantageous to increase the investment capacity of a Fund or to facilitate the clearance of transactions. Leverage creates opportunity for greater total returns for a Fund, but it also may magnify losses. The use of derivatives may also create leverage risk.

The Fund holds the following derivatives:

a. Forward currency contracts

Forward currency contracts are primarily used by the Fund to economically protect the Hedged Class against foreign currency exchange rate risks against movements in Pound sterling value of the units' capital against the Australian dollar. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

7 Derivative financial instruments (continued)

a. Forward currency contracts (continued)

The Fund's derivative financial instruments measured at fair value at period end are detailed below:

	Contractual/ notional £'000	Liabilities £'000
As at 30 June 2026		
Forward currency contracts	**(17,000)**	**(316)**
Total derivatives	**(17,000)**	**(316)**

Information about the Fund's exposure to credit risk, foreign exchange risk, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 4 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

8 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 earning investment income.

The Fund controls Holding Trust but does not consolidate the Holding Trust. Units in the Holding Trust are carried at fair value through profit or loss in accordance with the investment entity exception to consolidation.

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

	Fair value of investment As at 30 June 2026 £'000
L1 UK Holding Trust	**69,869**
Total Schemes	**69,869**

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

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 period from 5 December 2025 to 30 June 2026, net gains/(losses) incurred on investments in the Schemes were £3,607,104.

9 Net assets attributable to unit holders – liability

The Fund's units are classified as a liability as they do not 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 period were as follows:

	For the period 5 December 2025 to 30 June 2026 Units '000	For the period 5 December 2025 to 30 June 2026 £'000
Hedged AUD Class		
Opening balance	-	-
Applications	**34,255**	**17,036**
Increase/(decrease) in net assets attributable to unit holders	-	**(692)**
Closing balance	**34,255**	**16,344**
Unhedged AUD Class		
Opening balance	-	-
Applications	**89,292**	**44,234**
Increase/(decrease) in net assets attributable to unit holders	-	**(980)**
Closing balance	**89,292**	**43,254**
GBP Class		
Opening balance	-	-
Applications	**5,079**	**5,079**
Increase/(decrease) in net assets attributable to unit holders	-	**(107)**
Closing balance	**5,079**	**4,972**
Closing balance	**128,626**	**64,570**

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 three separate classes of units. Each unit within the same class has the same rights as all other units within that class. Each unit class has the same management fee rate and performance fee rate.

Units are redeemed on a quarterly basis 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, notwithstanding that net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a quarterly basis as the Fund is subject to quarterly applications and redemptions at the discretion of unit holders.

Quarterly applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a quarterly 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 reject, defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

10 Distributions to unit holders

The distributions declared during the period were as follows:

	5 December 2025 to 30 June 2026 £'000	5 December 2025 to 30 June 2026 PPU
Distributions – Hedged AUD Class		
June (payable)	**268**	**0.78**
Total distributions	**268**	**0.78**
Distributions – Unhedged AUD Class		
June (payable)	**699**	**0.78**
Total distributions	**699**	**0.78**
Distributions – GBP Class		
June (payable)	**76**	**1.50**
Total distributions	**76**	**1.50**
Total distributions	**1,043**	**-**

11 Cash and cash equivalents

	As at 30 June 2026 £'000
Cash at bank	**120**
Total cash and cash equivalents	**120**

12 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

	For the period 5 December 2025 to 30 June 2026 £'000
Increase/(decrease) in net assets attributable to unit holders	**(1,779)**
Distributions to unit holders	**1,043**
Distributions from Holding Trust	**(1,042)**
Payments for purchase of financial instruments at fair value through profit or loss	**(1,217)**
Net (gains)/losses on financial instruments at fair value through profit or loss	**(3,292)**
Net foreign exchange (gain)/loss	**(16)**
Movement in deferred tax balances	**4,932**
Net change in receivables	**(12)**
Net change in payables	**166**
Net cash inflow/(outflow) from operating activities	**(1,217)**

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

b. Non-cash operating and financing activities

On 1 May 2026, the Fund's issue of units to the investors in the amount of £65,044,399 was satisfied by receiving units of L1 Capital UK Residential Fund III and L1 Capital UK Residential Fund IV. Subsequently, these units were ultimately exchanged for the units of the Holding Trust amounting to £65,044,399.

13 Receivables

	As at 30 June 2026 £'000
GST receivable	12
Total receivables	12

14 Payables

	As at 30 June 2026 £'000
Management fees and costs payable	157
Professional services fees payable	3
Other payable	6
Total payables	166

15 Income tax

Although the Fund is not subject to income tax in Australia, it may be liable to pay UK capital gains tax that may arise on capital gain distributions receivable from the underlying entities upon the disposal of properties. For further details, refer to Note 2(h).

The major components of income tax expense in the statement of comprehensive income are:

	As at 30 June 2026 £'000
Deferred tax	
Deferred tax liabilities/(assets) comprise temporary differences attributable to:	
Opening balance	-
Recognition of tax liabilities following the restructuring of the Existing Funds	4,932
Total deferred tax liabilities	4,932
Total income tax expense	4,932

16 Remuneration of auditors

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

	For the period 5 December 2025 to 30 June 2026 $
Ernst & Young	
Audit and other assurance services	
Audit and review of financial statements	**15,700**
Total remuneration for audit and other assurance services	**15,700**
Taxation services	
Tax compliance services	**19,196**
Total remuneration for taxation services	**19,196**
Total remuneration of Ernst & Young	**34,896**
PricewaterhouseCoopers	
Audit and other assurance services	
Audit of compliance plan	**2,448**
Total remuneration for audit and other assurance services	**2,448**
Total remuneration of PricewaterhouseCoopers	**2,448**

The auditors' remuneration is borne by the Fund. Fees are stated in Australian dollars ($) net exclusive of GST.

17 Related party transactions

The Responsible Entity of L1 UK Residential Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The only related parties to the Fund, as defined by AASB 124 *Related Party Disclosures*, are the Responsible Entity, schemes managed by the Responsible Entity and key management personnel of the Responsible Entity.

a. Key management personnel

i. Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial period and up to the date of this report.

Michael J O'Brien	Chairman
Russell W Beasley	(appointed 1 July 2025, resigned 6 October 2026)
David B Warren	
Andrew P Godfrey	
Johanna E Platt	

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 period.

17 Related party transactions (continued)

b. Transactions with key management personnel

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

c. Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2026.

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 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 significant contract with the Fund during the period and there were no significant contracts involving management personnel's interests existing at period end.

g. Responsible Entity fees and other transactions

The transactions during the period and amounts payable as at period end between the Fund and the Responsible Entity.

	For the period 5 December 2025 to 30 June 2026 £
Management fees and costs for the period	**155,727**
Management fees and costs reimbursement for the period	**9,594**
Management fees and costs payable at the period end	**157,045**

Under the terms of the Fund's Constitution and Product Disclosure Statement, management fees and costs include responsible entity fees paid to the Responsible Entity, management fees paid to the Investment Manager and other costs (such as custody fees, administration fees and audit fees) paid to other unrelated parties. Please refer to the Fund's Product Disclosure Statement for information on how management fees and costs are calculated.

From 1 May 2026, the Fund accrued administration fees, responsible entity fees, audit fees, custody fees, management fees and related reimbursements. No expenses were paid during the period, and all balances remained accrued as at the reporting date.

h. Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited) held no units in the Fund as at 30 June 2026.

i. Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the period.

18 Transactions with the Investment Manager

Under the terms of the Fund's IMA, the Investment Manager is entitled to receive management and performance fees directly from the Fund. These fees relate to the management of the Fund's investments, including those held through the REITCo and its relevant sub-vehicles.

The transactions during the period and amounts payable at the period end between the Fund and the Investment Manager were as follows:

	For the period 5 December 2025 to 30 June 2026 £
Management fees for the period	**144,682**
Management fees payable at the period end	**155,268**

During the reporting period the Fund did not hold investments in other Schemes managed by the Fund's Investment Manager.

19 Events occurring after the reporting period

No significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2026 or on the results and cash flows of the Fund for the period ended on that date.

20 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2026.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

a. The financial statements and notes set out on pages 6 to 32 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; and

   ii. giving a true and fair view of the Fund's financial position as at 30 June 2026 and of its performance for the financial period 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 Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Andrew P Godfrey
Director

Melbourne
15 October 2026

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Independent Auditor's Report to the unit holders of L1 UK Residential Fund

Opinion

We have audited the financial report of L1 UK Residential Fund (the "Fund"), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 5 December 2025 to 30 June 2026, 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 2026 and of its financial performance for the period 5 December 2025 to 30 June 2026; 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 Equity Trustees Limited (the Responsible Entity) are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

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Responsibilities of the directors of the Responsible Entity 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 of the Responsible Entity 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 of the Responsible Entity 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.

Ernst & Young

Ernst & Young

Emma Reekie
Partner
Melbourne
15 October 2026

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