

# **RAM Australia Diversified Property Fund**

**ARSN 653 735 258**

**Annual Report - 30 June 2024**

**RAM Australia Diversified Property Fund**  
**Directors' report**  
**30 June 2024**

The Directors of Equity Trustees Limited, the Responsible Entity of RAM Australia Diversified Property 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 is a registered managed investment scheme domiciled in Australia. The principal objective of the Fund is to invest in commercial property in Australia in accordance with the investment objectives and guidelines set out in its current Information Memorandum and in accordance with the provisions of its Constitution.

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 service providers for the Fund are detailed below:

<b>Service</b>	<b>Provider</b>
Responsible Entity	Equity Trustees Limited
Investment Manager	Real Asset Management Pty Ltd
Custodian	Apex Fund Services Pty Ltd (an Apex Group Company)
Administrator	Real Asset Management Pty Ltd
Statutory Auditor	PKF (NS) Audit & Assurance Limited Partnership

**Directors**

The following persons held office as directors of the Responsible Entity during the whole of the financial year and up to the date of this report, unless otherwise stated:

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

**Review and results of operations**

During the financial year, the Fund continued to invest its funds in accordance with the Information Memorandum and the provisions of the Fund's constitution.

The Fund's income distribution was 4.83% (net of fees) for the year ended 30 June 2024 (30 June 2023: 5.50%). The Fund's total return for the year 30 June 2024 was 3.21% which outperformed the benchmark, being the performance of similar funds in the Australian market as per the Information Memorandum, of -22.91% for the year (30 June 2023: -8.03%).

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

	<b>Year ended</b> <b>30 June 2024</b>	Year ended 30 June 2023
Profit/(loss) for the year (\$'000)	<b>10,156</b>	(35,348)
Distributions paid and payable (\$'000 )	<b>10,334</b>	10,773
Distributions (cents per unit)	<b>5.52</b>	5.56

**Investment property valuations**

The total value of the Fund's investment property portfolio as at 30 June 2024 was \$421,050,000 (30 June 2023: \$423,750,000).

The weighted average capitalisation rate ("WACR") for the portfolio is 6.88% as at 30 June 2024 (30 June 2023: 6.57%).

The Fund has engaged in internal director valuations for the properties within the portfolio during the financial year.

**RAM Australia Diversified Property Fund**  
**Directors' report**  
**30 June 2024**

**Occupancy**

As at 30 June 2024 the Fund's portfolio was 88.83% (30 June 2023: 100.00%) occupied with a weighted average lease expiry ("WALE") of 3.8 years (30 June 2023: 3.8 years) by income including the rental guarantee attributable to the 56 Edmondstone Rd, Bowen Hills QLD investment property.

**Property Portfolio**

The investment portfolio as at 30 June 2024 consisted of 5 investment properties valued at \$421,050,000 (30 June 2023: \$423,750,000).

**Significant changes in the state of affairs**

Philip resigned as a director of Equity Trustees Limited on 6 June 2024. Andrew P Godfrey was appointed as a director of Equity Trustees Limited on 1 May 2024.

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

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

No 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;
- ii. the results of those operations in future financial years; or
- iii. the state of affairs for 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 Information Memorandum 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 property 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 be used to predict future returns.

**Indemnity and insurance of officers**

No insurance premiums are paid for out of the assets of the Fund in regards 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.

**Indemnity and insurance of auditor**

The auditor of the Fund is not indemnified out of the assets of the Fund.

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

Fees paid to the Responsible Entity and its associates during the year are disclosed in Note 17 to the financial statements.

No fees were paid by the Fund 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 17 to the financial statements.

**Interests in the Fund**

The movement in units on issue in the Fund during the year is disclosed in Note 8 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 other than those relevant to the specific assets held by the Fund. The Responsible Entity is not aware of any breach of those environmental regulations as they apply to the Fund.

**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 immediately after this directors' report.

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, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

**RAM Australia Diversified Property Fund  
Directors' report  
30 June 2024**

On behalf of the directors



---

Andrew P Godfrey  
Director

25 September 2024  
Melbourne



**PKF(NS) Audit & Assurance Limited Partnership**

**ABN 91 850 861 839**

755 Hunter Street, Newcastle West NSW 2302

Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245

Sydney T: +61 2 8346 6000 F: +61 2 8346 6099

info@pkf.com.au

www.pkf.com.au

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of the Responsible Entity of the RAM Australia Diversified Property Fund

I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of RAM Australia Diversified Property Fund.

As lead audit partner for the audit of the financial report of RAM Australia Diversified Property Fund for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A stylized, handwritten-style logo for PKF in black ink.

PKF

A handwritten signature in black ink that reads 'Martin Matthews'.

MARTIN MATTHEWS  
PARTNER

25 SEPTEMBER 2024  
NEWCASTLE, NSW

**RAM Australia Diversified Property Fund**  
**Contents**  
**30 June 2024**

Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	27
Independent auditor's report to the unitholders of RAM Australia Diversified Property Fund	28

**RAM Australia Diversified Property Fund**  
**Statement of comprehensive income**  
**For the year ended 30 June 2024**

	Note	Consolidated	
		2024 \$'000	2023 \$'000
<b>Income</b>			
Rent from investment properties		41,839	30,471
Net unrealised gains/(losses) on revaluation of investment properties	13	(3,384)	(47,586)
Net unrealised gains/(losses) on derivative financial instruments	6	(1,212)	518
Interest revenue calculated using the effective interest method		999	18
<b>Total income/(loss)</b>		<u>38,242</u>	<u>(16,579)</u>
<b>Expenses</b>			
Auditor's remuneration	15	(41)	(46)
Management fees	17	(3,330)	(2,913)
Custody and administration fees	17	(2,699)	(2,120)
Investment property expenses		(9,129)	(5,427)
Depreciation and amortisation expense	13	(276)	(15)
Interest expense		(12,144)	(7,936)
Other expenses		(467)	(312)
<b>Total expenses</b>		<u>(28,086)</u>	<u>(18,769)</u>
<b>Profit/(loss) for the year attributable to the unit holders of RAM Australia Diversified Property Fund</b>		<b>10,156</b>	<b>(35,348)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year attributable to the unit holders of RAM Australia Diversified Property Fund</b>		<u><b>10,156</b></u>	<u><b>(35,348)</b></u>

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

**RAM Australia Diversified Property Fund**  
**Statement of financial position**  
**As at 30 June 2024**

	Note	Consolidated	
		2024 \$'000	2023 \$'000
<b>Assets</b>			
Cash and cash equivalents	10	8,421	21,386
Receivables	12	5,504	4,557
Derivative financial instruments	6	760	1,972
Investment properties	13	<u>421,050</u>	<u>423,750</u>
<b>Total assets</b>		<u><b>435,735</b></u>	<u>451,665</u>
<b>Liabilities</b>			
Borrowings	16	212,110	215,075
Distributions payable	9	2,199	2,958
Payables	14	<u>15,768</u>	<u>28,676</u>
<b>Total liabilities</b>		<u><b>230,077</b></u>	<u>246,709</u>
<b>Net assets attributable to unit holders</b>	8	<u><b>205,658</b></u>	<u><b>204,956</b></u>
<b>Equity</b>			
Issued capital		246,401	245,521
Accumulated losses		<u>(40,743)</u>	<u>(40,565)</u>
<b>Total equity</b>		<u><b>205,658</b></u>	<u><b>204,956</b></u>

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

**RAM Australia Diversified Property Fund**  
**Statement of changes in equity**  
**For the year ended 30 June 2024**

	Note	Consolidated	
		2024 \$'000	2023 \$'000
Total equity at the beginning of the financial year		204,956	187,067
Profit/(loss) for the year		10,156	(35,348)
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>10,156</b>	<b>(35,348)</b>
<i>Transactions with unit holders in their capacity as unit holders:</i>			
Applications	8	492	70,614
Redemptions	8	(2,130)	(8,826)
Reinvestment of distributions	8	2,518	2,222
Distributions paid and payable	9	(10,334)	(10,773)
<b>Total equity at the end of the financial year</b>		<b><u>205,658</u></b>	<b><u>204,956</u></b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes with reference to Notes 2 and 8.*

**RAM Australia Diversified Property Fund**  
**Statement of cash flows**  
**For the year ended 30 June 2024**

	<b>Note</b>	<b>Consolidated</b>	
		<b>2024</b>	<b>2023</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Interest received from the effective interest method		72	22
Proceeds from investment property rental income		35,566	27,981
Payments for investment property expenses		(16,181)	(7,705)
Interest and other finance costs paid		(12,006)	(6,740)
Management fees and costs paid		(3,051)	(2,615)
Custody and administration fees paid		<u>(2,646)</u>	<u>(2,018)</u>
<b>Net cash flows from operating activities</b>	11	<u>1,754</u>	<u>8,925</u>
<b>Cash flows (payments) from investing activities</b>			
Net payments for investment property	13	<u>(847)</u>	<u>(70,282)</u>
<b>Net cash flows used in investing activities</b>		<u>(847)</u>	<u>(70,282)</u>
<b>Cash flows from financing activities</b>			
Proceeds from applications / reinvestments and redemptions	8	(1,638)	61,788
Bank loan repayments		(3,600)	(2,400)
Distributions paid to unit holders		(8,580)	(7,957)
Payment of loan transaction costs		<u>(54)</u>	<u>(517)</u>
<b>Net cash flows from/(used in) financing activities</b>		<u>(13,872)</u>	<u>50,914</u>
Net decrease in cash and cash equivalents		(12,965)	(10,443)
Cash and cash equivalents at the beginning of the financial year		<u>21,386</u>	<u>31,829</u>
<b>Cash and cash equivalents at the end of the financial year</b>	10	<u><u>8,421</u></u>	<u><u>21,386</u></u>

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

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

Note 1. General information	11
Note 2. Material accounting policy information	11
Note 3. Critical accounting judgements, estimates and assumptions	15
Note 4. Financial risk management	16
Note 5. Fair value measurement	17
Note 6. Derivative financial instruments	18
Note 7. Controlled entities	19
Note 8. Net assets attributable to unit holders - equity	19
Note 9. Distributions to unit holders	20
Note 10. Cash and cash equivalents	21
Note 11. Reconciliation of profit to net cash flow from operating activities	21
Note 12. Receivables	22
Note 13. Investment properties	22
Note 14. Payables	22
Note 15. Remuneration of auditors	23
Note 16. Borrowings	23
Note 17. Related party transactions	23
Note 18. Parent entity information	26
Note 19. Events after the reporting period	26
Note 20. Contingent assets and liabilities and commitments	26

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 1. General information**

These financial statements cover RAM Australia Diversified Property Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 25 June 2021 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 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in commercial property in Australia in accordance with the investment objectives and guidelines set out in its current Information Memorandum and in accordance with the provisions of its Constitution.

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.

**Note 2. Material accounting policy information**

The material 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.

**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, investment properties held 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.

*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").

*New standards and interpretations not yet adopted*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

**New or amended Accounting Standards and Interpretations adopted**

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.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 2. Material accounting policy information (continued)**

**Financial instruments**

*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.

- 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 for distributions payable, management fees payable, applications received in advance, audit and tax fees payable, investment property fees and interest payable, investment property deferred income, administration fees payables and custodian fees payable.

*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. 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.

*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 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 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. The Fund does not incorporate any interest income/expense on financial instruments measured at fair value through profit or loss.

For further details on how the fair value of financial instruments is determined please see Note 5 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, receivables and borrowings are carried at amortised cost.

*Impairment*

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Investment property rent receivables are generally due for settlement within 30 days.

The Fund has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure expected credit losses, investment property rent receivables have been grouped based on days overdue.

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.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 2. Material accounting policy information (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 rent from investment properties. When a 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 rent from investment properties in the statement of comprehensive income.

**Net assets attributable to unit holders**

The Fund is an illiquid unlisted Australian registered managed investment scheme and is only subject to redemptions where the Responsible Entity makes a withdrawal offer to investors in accordance with the *Corporations Act 2001*.

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 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.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an immaterial risk of changes in value.

**Parent entity information**

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Fund only. Supplementary information about the parent entity is disclosed in Note 18.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of RAM Australia Diversified Property Fund ('trust' or 'parent entity') as at 30 June 2024 and the results of all controlled entities for the year then ended. RAM Australia Diversified Property Fund and its subsidiaries together are referred to in these financial statements as the 'Fund'.

The parent entity controls an entity when the parent entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The controlled entities are fully consolidated from the date on which control is transferred to the parent entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Fund are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Fund.

The acquisition of controlled entities is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Fund loses control over a controlled entity, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Fund recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**Income recognition**

*Rent from investment properties*

Rent income from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental income. Contingent rentals are recognised as income in the period when earned.

*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.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 2. Material accounting policy information (continued)**

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income or expense 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.

Changes in fair value of financial instruments at fair value through profit or loss are recorded in accordance with the policies described under '*Financial Instruments*' in Note 2 to the financial statements.

**Expenses**

All expenses are recognised in the statement of profit or loss on an accruals basis.

Management fees and costs covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees and other operating expense.

**Finance costs**

Finance costs to external parties include interest, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Finance costs to external parties are recognised as an expense in the Profit or Loss on an accrual basis, and if not paid at balance date, are reflected in connection with the arrangement of borrowings.

**Income tax**

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

**Distributions**

The Fund distributes 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 comprehensive income as finance costs attributable to unit holders.

**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, movement in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

**Receivables**

Receivables may include amounts for rent from investment properties and investment property prepaid expenditure. Rent from investment properties is accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Payables**

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

A separate distribution 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.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**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.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 2. Material accounting policy information (continued)**

**Goods and Services Tax ('GST')**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

*Cash flow hedges*

Cash flow hedges are used to cover the Fund's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The method of recognition is dependent on classification of a hedging instrument. The Fund has elected cash flow hedges not to qualify for hedge accounting. Changes in fair value are recognised in the statement of comprehensive Income.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

**Investment properties**

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Fund. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

**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.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, income and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes 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. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Fair value measurement hierarchy*

The Fund is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is material to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is material to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

The Fund estimates that the resultant expected credit loss (ECL) derived from using the impairment model has not materially impacted the Fund. Please see Note 4 for more information on credit risk.

**Note 4. Financial risk management**

***Financial risk management objectives***

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 Constitution 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 investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Real Asset Management Pty Ltd ("RAM") 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 Information Memorandum and within the provisions of the Fund's constitution.

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

**Market risk**

***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.

The Fund's interest bearing financial instruments expose it to risks associated with the effects of fluctuation in the prevailing levels of market interest rate on its financial positions and cash flows. The impact of interest rate risk on profit and net assets attributable to unit holders is considered immaterial to the Fund.

The Fund's main interest rate risk arises from long-term borrowings. The policy is to limit gearing of the Fund to 50-60% of current borrowings at fixed rates using interest rate swaps to achieve this when necessary.

For the Fund the bank loans outstanding, totalling \$212,360,000 (30 June 2023: \$215,960,000), these are principal payment loans.

Interest rate risk is managed by the Investment Manager, Real Asset Management Pty Ltd.

***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 and trade receivables. None of these assets are impaired nor past their due date. The maximum exposure to credit risk is the carrying of these balances at the reporting date.

***Other***

The Fund is not materially exposed to credit risk on other financial assets.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 4. Financial risk management (continued)**

***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.

Exposure to liquidity risk for the Fund may arise from the requirement to be able to pay debts as and when they become due and payable including investment property related cash flow requirements.

Liquidity risk is managed by the Investment Manager, Real Asset Management Pty Ltd.

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. In 2024, the Fund managed redemption requests in line with its liquidity protocols, meeting operational liquidity requirements and debt obligations while maintaining the best interests of unit holders.

The Fund manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

**Note 5. Fair value measurement**

***Fair value hierarchy***

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

- Derivative financial instruments (see Note 6)
- Investment properties (see Note 13)

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

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

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

**Fair value in an inactive or unquoted market (level 2 and level 3)**

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.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

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.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

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.

Direct property assets are valued in accordance with the Fund's Property Valuation Policy.

This Policy requires that all direct property assets be valued at Fair Value at each balance date. Fair Value is determined at least once every two years by an appropriately qualified independent valuer.

In the intervening periods Fair Value is determined by the Responsible Entity, acting in good faith, after considering all relevant market-based information and circumstances.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 5. Fair value measurement (continued)**

Where the Responsible Entity believes that there have been material changes in the value of the direct property assets, an appropriately qualified independent valuer will be engaged at each reporting period to value the direct property assets in accordance with the ordinary commercial practice and AIFRS.

The balance of the Fund's properties were valued by the Responsible Entity using the best practice market methodologies including discounted cash flow, capitalisation and comparison methodologies.

**Recognised fair value measurements**

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

<b>As at 30 June 2024</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<i>Assets</i>				
Investment properties	-	-	421,050	421,050
Financial instruments - swaps	-	760	-	760
<b>Total assets</b>	<b>-</b>	<b>760</b>	<b>421,050</b>	<b>421,810</b>

**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 year.

**Financial instruments not carried at fair value**

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

**Note 6. Derivative financial instruments**

In the normal course of business, the Fund enters into transactions in 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.

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 interest rate swap contracts. 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. The Fund maintains interest rate swap contracts as cashflow hedges against interest rate risk on long term borrowings.

The Fund holds the following derivatives:

*Swaps*

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

The fair value of interest rate swaps is the estimated amount that the Fund would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the current credit worthiness of the swap counterparties.

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

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest rate swap contracts - cash flow hedges	<u>760</u>	<u>1,972</u>

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 6. Derivative financial instruments (continued)**

	<b>Contractual/ notional \$'000</b>	<b>Assets \$'000</b>	<b>Liabilities \$'000</b>
<b>As at 30 June 2024</b>			
Interest rate swap contracts - cash flow hedges	<u>65,420</u>	<u>760</u>	<u>-</u>
	Contractual/ notional \$'000	Assets \$'000	Liabilities \$'000
<b>As at 30 June 2023</b>			
Interest rate swap contracts - cash flow hedges	<u>65,420</u>	<u>1,972</u>	<u>-</u>

Information about the Fund's exposure to interest rate risk and the methods and assumptions used in determining fair values is provided in Note 4 and Note 5 to the financial statements.

**Note 7. Controlled entities**

The following entities were controlled by the parent entity during the financial year:

	<b>2024 %</b>	<b>2023 %</b>
RAM Australia Elsie Street Burwood Trust	<b>100%</b>	100%
RAM Australia Diversified Mid Property Trust	<b>100%</b>	100%
RAM Australia Diversified FinCo Pty Ltd	<b>100%</b>	100%

The following entities were controlled by RAM Australia Diversified Mid Property Trust entity during the financial year:

	<b>2024 %</b>	<b>2023 %</b>
RAM Australia Diversified Property No. 1 Trust	<b>100%</b>	100%
RAM Australia Diversified Property No. 2 Trust	<b>100%</b>	100%
RAM Australia Diversified Property No. 3 Trust	<b>100%</b>	100%
RAM Australia Diversified Property No. 4 Trust	<b>100%</b>	100%
RAM Australia Diversified Property No. 5 Trust	<b>100%</b>	100%
RAM Australia Diversified Property No. 6 Trust	<b>100%</b>	100%
RAM Australia Diversified Property No. 7 Trust	<b>100%</b>	100%

**Note 8. Net assets attributable to unit holders - equity**

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be 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. The Fund's units are classified as equity as they meet the definition of a financial instrument to be classified as equity.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 8. Net assets attributable to unit holders - equity (continued)**

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

	Consolidated		Consolidated	
	2024 Units	2024 \$'000	2023 Units	2023 \$'000
Opening balance	221,090,564	204,956	164,330,521	187,067
Applications	476,460	492	62,610,593	70,614
Redemptions	(2,077,922)	(2,130)	(7,805,899)	(8,826)
Reinvestment of distributions	2,422,316	2,518	1,955,349	2,222
Distributions paid and payable	-	(10,334)	-	(10,773)
	-	-	-	-
Profit/(loss) for the year	-	10,156	-	(35,348)
<b>Closing balance</b>	<b>221,911,418</b>	<b>205,658</b>	<b>221,090,564</b>	<b>204,956</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, 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 daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily 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 a redemption of units if the exercise of such discretion is in the best interests of unit holders.

**Note 9. Distributions to unit holders**

The distributions declared during the financial year were as follows:

	Consolidated		Consolidated	
	2024 \$'000	2024 CPU	2023 \$'000	2023 CPU
<i>Distributions - Ordinary Equity</i>				
30 September	2,970	1.80	2,372	1.44
31 December	2,960	1.73	2,385	1.39
31 March	2,205	1.00	3,058	1.39
30 June (payable)	2,199	0.99	2,958	1.34
<b>Total distributions</b>	<b>10,334</b>	<b>5.52</b>	<b>10,773</b>	<b>5.56</b>

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 10. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank	<u>8,421</u>	<u>21,386</u>

*Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	8,421	21,386
Balance as per statement of cash flows	<u>8,421</u>	<u>21,386</u>

**Note 11. Reconciliation of profit to net cash flow from operating activities**

*Reconciliation of profit to net cash flow from operating activities*

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) for the year	10,156	(35,348)
Adjustments for:		
Net unrealised (gains)/losses on revaluation of investment properties	3,384	47,586
Net unrealised (gains)/losses on derivative financial instruments	1,212	(518)
Straight-line of rental income	(693)	(1,069)
Amortisation	964	502
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,018)	(1,797)
Increase/(decrease) in trade and other payables	<u>(12,251)</u>	<u>(431)</u>
<b>Net cash flows from operating activities</b>	<u>1,754</u>	<u>8,925</u>

*Non-cash investing and financing activities*

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-cash investing activities</i>		
Payments for investment properties settled by debt directly	-	84,690
<i>Non-cash financing activities</i>		
Debt facilities issued by Westpac	-	(84,690)
Reinvestment of distributions	2,518	2,222
Net unrealised (gains)/losses on derivative financial instruments	<u>(1,212)</u>	<u>518</u>
<b>Total non-cash investing and financing activities</b>	<u>1,306</u>	<u>2,740</u>

As described in Note 2, income not distributed is included in net assets attributable to unit holders. The change in the amount for the year (as reported above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 12. Receivables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Other receivables	8	81
Investment properties accrued rent	1,249	1,554
Investment properties prepaid expenditure	42	639
Investment properties rent receivable	1,378	150
Other non-current assets	<u>2,827</u>	<u>2,133</u>
	<u><b>5,504</b></u>	<u><b>4,557</b></u>

**Note 13. Investment properties**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Halls Head Medical Centre, Halls Head WA	18,100	23,250
Burwood Office Tower, Burwood NSW	45,500	45,000
25 Constitution Avenue, Canberra ACT	110,000	110,000
56 Edmondstone Road, Bowen Hills QLD	108,000	102,000
333 Ann Street, Brisbane QLD	<u>139,450</u>	<u>143,500</u>
	<u><b>421,050</b></u>	<u><b>423,750</b></u>

*Reconciliation*

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	423,750	317,066
Additions	-	152,668
Net unrealised gains/(losses) on revaluation	(3,384)	(47,586)
Depreciation and amortisation expense	(276)	(15)
Capital expenditure	<u>960</u>	<u>1,617</u>
<b>Closing fair value</b>	<u><b>421,050</b></u>	<u><b>423,750</b></u>

**Note 14. Payables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Investment property fees payable	6,294	11,930
Investment property interest payable	409	959
Investment property rental guarantee	6,025	13,038
Investment property deferred income	1,755	1,404
Payable to related parties	779	420
Audit fees payable	34	40
Accrued expenses	26	445
Security deposits	386	397
GST payable	<u>60</u>	<u>43</u>
	<u><b>15,768</b></u>	<u><b>28,676</b></u>

Refer to Note 4 for further information on financial risk management.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 15. Remuneration of auditors**

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

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>PKF (NS) Audit &amp; Assurance Limited Partnership</i>		
Audit of the financial statements	<u>41,500</u>	<u>46,000</u>
<b>Total remuneration of PKF (NS) Audit &amp; Assurance Limited Partnership</b>	<b><u>41,500</u></b>	<b><u>46,000</u></b>

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

**Note 16. Borrowings**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank loans	212,360	215,960
Less: Attributable transaction costs	<u>(250)</u>	<u>(885)</u>
	<b><u>212,110</u></b>	<b><u>215,075</u></b>

The existing facility expires in December 2024.

The refinancing negotiations for the DPF are progressing well, with strong support indicated by both Westpac and the Commonwealth Bank of Australia. The Fund is working to finalise improved terms and greater flexibility in the facility, with financial close anticipated in November 2024.

Refer to Note 4 for further information on financial risk management.

*Assets pledged as security*

The bank overdraft and loans are secured by first mortgages over the Fund's investment properties.

**Note 17. Related party transactions**

The Responsible Entity of RAM Australia Diversified Property 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 Responsible Entity has contracted Real Asset Management Pty Ltd, to act as Investment Manager and Administrator for the Fund and Apex Fund Services Pty Ltd to act as Custodian for the Fund. The contracts are on normal commercial terms and conditions.

**Key management personnel**

Key management personnel include persons who were directors of Equity Trustees Limited at any time 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	
Mary A O'Connor	
David B Warren	
Andrew P Godfrey	(Appointed 1 May 2024)

**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.

**Transactions with key management personnel**

There were no transactions with key management personnel during the financial year.

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 17. Related party transactions (continued)**

**Key management personnel unit holdings**

Key management personnel did not hold units in the Fund as at 30 June 2024.

**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

**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.

**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.

**Responsible Entity fees, Investment Manager's fees and other transactions**

Under the terms of the Fund's Constitution, the Responsible Entity and the Investment Manager are entitled to receive management fees.

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:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Payment for other expenses:		
Management fees for the year	<b>3,330,271</b>	2,913,677
Custody and administration fees for the year	<b>2,698,661</b>	2,119,709
Management fees payable at year end	<b>279,415</b>	-
Custody and administration fees payable at year end	<b>471,523</b>	457,034

For information on how management and performance fees are calculated please refer to the Fund's Constitution.

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. Expense recoveries include Responsible Entity fees, Custodian and Administrator fees and other expenses.

Investment management fees reimbursed represent monies put into the Fund to ensure that the Fund's overall management costs remain within that disclosed in the Constitution.

**Related party unit holdings**

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) hold units in the Fund, as follows:

<b>Unit Holder</b>	<b>Number of units held opening</b>	<b>Number of units held closing</b>	<b>Fair value of investment \$</b>	<b>Interest held %</b>	<b>Number of units acquired</b>	<b>Number of units disposed</b>	<b>Distributions paid / payable \$</b>
<b>As at 30 June 2024</b>							
RAM Property Securities Fund	36,639,618	36,639,618	33,955,339	16.51%	-	-	1,855,831
188 ECT Capital Stable Fund	8,471,038	8,471,038	7,850,436	3.82%	-	-	429,066
RAM Australian Property Fund	104,563	70,746	65,563	0.03%	-	33,817	4,102
RAM Australian Growth Multi Asset-Class Fund	8,863	8,863	8,214	-	-	-	403
	<b><u>45,224,082</u></b>	<b><u>45,190,265</u></b>	<b><u>41,879,552</u></b>		<b><u>-</u></b>	<b><u>33,817</u></b>	<b><u>2,289,402</u></b>

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 17. Related party transactions (continued)**

**Investments**

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

**RAM Australia Diversified Property Fund**  
**Notes to the financial statements**  
**30 June 2024**

**Note 18. Parent entity information**

*Statement of Comprehensive Income*

	<b>Parent</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss)	<u>14,543</u>	11,045
<b>Total comprehensive income</b>	<b><u>14,543</u></b>	<b><u>11,045</u></b>

*Statement of Financial Position*

	<b>Parent</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Total current assets	<b>20,170</b>	15,785
Total non-current assets	<u>187,606</u>	233,597
<b>Total assets</b>	<b><u>207,776</u></b>	<b><u>249,382</u></b>
Total current liabilities	<u>2,881</u>	3,580
<b>Total liabilities</b>	<b><u>2,881</u></b>	<b><u>3,580</u></b>
Equity		
Issued capital	<b>246,401</b>	245,521
Retained profits/(accumulated losses)	<u>(41,506)</u>	281
<b>Total equity</b>	<b><u>204,895</u></b>	<b><u>245,802</u></b>

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024 (30 June 2023: nil).

**Note 19. Events after the reporting period**

No 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.

**Note 20. Contingent assets and liabilities and commitments**

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2024 (30 June 2023: nil).

**RAM Australia Diversified Property Fund**  
**Directors' declaration**  
**30 June 2024**

In the opinion of the directors of the Responsible Entity:

The financial statements and notes set out on pages 6 to 26 are in accordance with the *Corporations Act 2001*, including:

- complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- 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.

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

Note 2 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

25 September 2024  
Melbourne

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF RAM AUSTRALIA DIVERSIFIED PROPERTY FUND

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of RAM Australia Diversified Property Fund (the Fund), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, 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 then ended; and
- (b) Complying with the Australian Accounting Standards and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Responsible Entity of the Fund, would be in the same terms if given to the directors as at the time of this auditor's report.

#### Other Information

The directors of the Responsible Entity of the Fund are responsible for the other information. The other information comprises the information included in the Fund's annual report for the period ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

## Other Information (cont'd)

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.

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

The directors of the Responsible Entity of the Fund 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 related 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 has 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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement 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 directors of the Responsible Entity.

## Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Conclude on the appropriateness of the directors' of the Responsible Entity 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.
- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF



MARTIN MATTHEWS  
PARTNER

25 SEPTEMBER 2024  
NEWCASTLE, NSW