

Dexus Core Property Fund

AFSN 114 235 326 | APIR AMP1074AU

Directors' report and financial report for the
financial year ended 30 June 2023

The Trust Company (RE Services) Limited
ABN: 45 003 278 831 | AFSL No: 235150



Dexus Core Property Fund

ARSN 114 235 326

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This Financial Report covers Dexus Core Property Fund (formerly known as AMP Capital Core Property Fund) (ARSN 114 235 326) as an individual entity.

The Responsible Entity of Dexus Core Property Fund (formerly known as AMP Capital Core Property Fund) is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150).

The Responsible Entity's registered office is:
Level 18, 123 Pitt Street, Sydney, NSW 2000.

Directors' report

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) is the responsible entity (the "Responsible Entity") of Dexus Core Property Fund (formerly known as AMP Capital Core Property Fund) (the "Fund"). The directors of the Responsible Entity (the "Directors") present their report together with the Financial Report of the Fund for the year ended 30 June 2023.

Principal activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund invests in listed real estate securities and unlisted managed investment funds in accordance with the provisions of the Fund's Constitution.

The Fund was constituted on 11 May 2005 and commenced operations on 25 May 2005.

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.

Directors

The Directors of the Responsible Entity during the year and up to the date of this report are shown below. The Directors were in office for this entire period except where stated otherwise:

Christopher Green	Appointed as Director on 23 January 2023
Glenn Foster	
Vicki Riggio	
Phillip Blackmore	Alternate Director for Vicki Riggio
Simone Mosse	Resigned as Director on 23 January 2023

Review of results and operations

During the year, the Fund invested in accordance with the investment objective and guidelines as set out in the governing documents of the Fund and in accordance with the provision of the Fund's Constitution.

Results

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

	Year ended	
	30 June 2023 \$	30 June 2022 \$
Operating profit/(loss) for the year	(28,107,813)	4,364,002
Distributions paid and payable	(11,815,223)	(16,743,687)

Directors' report (continued)

Significant changes in the state of affairs

On 23 January 2023, Simone Mosse resigned as Director and Christopher Green was appointed as Director.

On 27 April 2022, Dexus Funds Management Limited ("Dexus") and AMP Limited ("AMP") announced that the parties had entered into an agreement for the sale of AMP Capital's real estate and domestic infrastructure equity business to Dexus Funds Management Limited, subject to a number of conditions precedent. On 20 March 2023, it was announced that AMP and Dexus entered into a binding agreement for an alternative transaction structure with a two-stage completion process. The first stage of the transaction completed on 24 March 2023. The terms of the agreement for the alternative transaction structure included changing the Fund's investment manager, AMP Capital Investors Limited to a Dexus entity effective 7 August 2023.

On 21 October 2022, the Fund's \$20 million debt facility with Westpac Banking Corporation was extended by 3 years to 21 October 2025. On 25 October 2022, \$20 million was drawn down. On 2 December 2022, \$15 million was repaid and on 23 December 2022 a further \$5 million was repaid on this facility from \$30 million proceeds of capital contributions received from AMP Capital Finance Limited in two amounts of \$20 million and \$10 million on 29 November 2022 and 15 December 2022, respectively. A further capital contribution amount of \$10 million was received from AMP Capital Finance Limited on 17 January 2023. At the time of these capital contributions, AMP Capital Finance Limited was a related party of AMP Capital Investors Limited; both entities were under common control of AMP Limited.

On 27 April 2023, 25 May 2023 and 23 June 2023, \$8.8 million, \$5 million and \$6.2 million were drawn down respectively. At balance date the Westpac debt facility was fully drawn.

Upon the first stage completion of AMP Limited's sale of the AMP Capital real estate and domestic infrastructure equity business to Dexus Funds Management Limited on 24 March 2023, Dexus acquired AMP Capital Finance Limited's co-investment stake in the Fund on the same date. Refer to Note 10 for further details.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Fund that occurred during the year ended 30 June 2023.

Matters subsequent to the end of the financial year

Dexus Fund Management Limited (ABN 24 060 920 783) was appointed as the investment manager of the Fund on 7 August 2023 in place of the former investment manager, AMP Capital Investors Limited (ABN 59 001 777 591).

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- (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 the 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 governing documents of the Fund and in accordance with 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 and auditors

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

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Directors' report (continued)

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

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 10 to the financial statements.

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

The number of units in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 10 to the financial statements.

Units in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 6 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 a Commonwealth, State or Territory law.

Rounding

The Fund is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, 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 The Trust Company (RE Services) Limited.



Director: GLENN FOSTER
The Trust Company (RE Services) Limited
13 September 2023



**Building a better
working world**

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Auditor's independence declaration to the directors of The Trust Company (RE Services) Limited

As lead auditor for the audit of the financial report of Dexus Core Property Fund for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Elliott Shadforth'.

Elliott Shadforth
Partner
13 September 2023

Statement of Comprehensive Income

		Year ended	
	Notes	30 June 2023	30 June 2022
		\$	\$
Investment income			
Interest income		183,692	9,193
Distribution income		13,793,944	16,864,927
Dividend income		206,569	454,541
Net foreign exchange gain/(loss)		266	(1,521)
Net losses on financial instruments measured at fair value through profit or loss		(37,128,150)	(7,399,242)
Other income		20,335	36,989
Total investment income/(loss)		(22,923,344)	9,964,887
Expenses			
Interest expense	9	239,456	-
Responsible Entity and management fees	10	3,930,978	4,542,818
Custody fees		84,303	116,165
Transaction costs		75,928	250,486
Withholding tax		531,065	509,191
Other operating expenses		322,739	182,225
Total operating expenses		5,184,469	5,600,885
Operating profit/(loss)		(28,107,813)	4,364,002
Finance costs attributable to unitholders			
Distributions to unitholders		(11,815,223)	(16,743,687)
Decrease in net assets attributable to unitholders from operations	6	39,923,036	12,379,685
Profit for the year		-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS)		-	-

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

		As at	
	Notes	30 June 2023 \$	30 June 2022 \$
Assets			
Cash and cash equivalents		5,310,639	13,234,223
Receivables		3,572,732	7,385,022
Financial assets measured at fair value through profit or loss	7	275,982,422	364,317,327
Total assets		284,865,793	384,936,572
Liabilities			
Distribution payable		2,771,978	5,432,869
Due to brokers - payable for securities purchased		454,449	3,173,936
Payables		332,944	383,829
Financial liabilities measured at fair value through profit or loss	8	2,063	-
Interest bearing liabilities	9	20,000,000	-
Total liabilities excluding net assets attributable to unitholders - Liability		23,561,434	8,990,634
Net assets attributable to unitholders - Liability	6	261,304,359	375,945,938

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	Year ended	
	30 June	30 June
	2023	2022
	\$	\$
Total equity at the beginning of the year	-	-
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	-	-
Transactions with unitholders	-	-
Total equity at the end of the year	-	-

Under Australian Accounting Standards, 'Net assets attributable to unitholders' is classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year. Refer to Note 2(c) for further details.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

		Year ended	
	Notes	30 June 2023	30 June 2022
		\$	\$
Cash flows from operating activities			
Proceeds from sales of financial instruments measured at fair value through profit or loss		99,686,992	150,570,287
Payments for purchases of financial instruments measured at fair value through profit or loss		(47,639,131)	(96,125,660)
Dividends received		213,278	448,509
Distributions received		14,072,248	31,869,706
Interest income received		170,217	7,811
Interest expense paid		(222,936)	-
Net GST received		17,107	761
Other income received		20,335	36,989
Responsible Entity and management fees paid		(3,999,819)	(4,540,472)
Net withholding tax paid		(535,597)	(525,990)
Custody fees paid		(80,394)	(112,054)
Transaction costs paid		(78,401)	(247,939)
Other operating expenses paid		<u>(322,739)</u>	<u>(182,225)</u>
Net cash inflow from operating activities	11(a)	61,301,160	81,199,723
Cash flows from financing activities			
Proceeds from applications by unitholders		65,028,285	48,851,050
Payments for redemptions by unitholders		(140,278,838)	(112,330,314)
Distributions paid to unitholders		(13,974,457)	(17,260,751)
Proceeds from interest bearing liabilities	9	40,000,000	-
Repayments of interest bearing liabilities	9	<u>(20,000,000)</u>	<u>-</u>
Net cash outflow from financing activities		(69,225,010)	(80,740,015)
Net increase/(decrease) in cash and cash equivalents		(7,923,850)	459,708
Cash and cash equivalents at the beginning of the year		13,234,223	12,776,036
Effect of foreign currency exchange rate changes on cash and cash equivalents		<u>266</u>	<u>(1,521)</u>
Cash and cash equivalents at the end of the year*		5,310,639	13,234,223

* Cash and cash equivalents include investments in unlisted managed cash funds. Further details are disclosed in Note 2(d) Cash and Cash Equivalents and Note 10 Related party transactions.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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1 General information

The Financial Report covers Dexus Core Property Fund (the "Fund") as an individual entity.

The Responsible Entity of the Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831). The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney, NSW 2000.

Dexus Funds Management Limited (ABN 24 060 920 783) was appointed as the investment manager of the Fund on 7 August 2023 in place of the former investment manager, AMP Capital Investors Limited (ABN 59 001 777 591).

The Financial Report is presented in Australian dollars.

The Fund invests in listed real estate securities and unlisted managed investment funds in accordance with the provisions of the Fund's Constitution.

The Financial Report was authorised for issue by the Directors of the Responsible Entity on 13 September 2023. The Directors of the Responsible Entity have the power to amend and reissue the Financial Report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Financial Report are set out below. These policies have been consistently applied to the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been re-presented to be consistent with current period disclosures.

(a) Basis of preparation

This general purpose Financial Report has been prepared in accordance with the Fund's Constitution and with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purposes of preparing financial statements.

The Financial Report has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of Financial Position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders - liability. Given the nature of the Fund, a reasonable estimate cannot be made of the amount of the balances, if any, that are unlikely to be settled within 12 months.

(i) Compliance with International Financial Reporting Standards

The Financial Report of the Fund also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(ii) New and amended standards adopted by the Fund

The Fund has adopted all mandatory standards and amendments for the financial year beginning 1 July 2022. Adoption of these standards and amendments has not had any material effect on the financial position or performance of the Fund.

(iii) New standards, amendments and interpretations effective after 1 July 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

(b) Financial instruments

(i) Classification of financial assets

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed, and performance is evaluated, on a fair value basis in accordance with the Fund's documented investment strategy. The Fund uses fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies.

In accordance with AASB 9, equity securities and unlisted managed investments funds are measured at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Recognition/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 fair value of financial assets or financial liabilities from this date.

Investments are derecognised when the contractual rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains or losses arising on derecognition of financial assets and liabilities are recognised in the Statement of Comprehensive Income.

(iii) Measurement

At initial recognition, financial assets and financial liabilities measured at fair value through profit and loss are measured at fair value exclusive of any transaction costs. Transaction costs are expensed as incurred in the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Statement of Comprehensive Income within 'net gains/(losses) on financial instruments measured at fair value through profit or loss' in the period in which they arise.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is 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.

(c) Net assets attributable to unitholders

Net assets attributable to unitholders comprise units on issue and undistributed reserves. The Fund's Constitution allows the Attribution Managed Investment Trust ("AMIT") tax regime to apply to the Fund and the AMIT eligibility criteria have been met. The Fund's Constitution has no contractual obligation for the Responsible Entity to distribute trust income to unitholders. As the units on issue comprise multiple classes of units with non-identical features, the Fund's net assets attributable to unitholders cannot be classified as equity; and therefore have continued to be classified as liabilities in accordance with AASB 132 Financial Instruments: Presentation. As there are no equity holders, total comprehensive income and equity for the Fund is nil.

The fair value of units requested to be redeemed is measured at the redemption amount that would be payable (based on the exit unit price) at the balance date. The Fund's redemption unit price is based on different valuation principles to that applied in financial reporting, resulting in a valuation difference which is treated as a component of net assets attributable to unitholders. Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

(d) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include deposits held at call with a bank or financial institution with an original maturity date of three months or less. Cash and cash equivalents also include investments in unlisted managed cash funds, which are readily convertible to cash on hand at the Responsible Entity's option and which the Responsible Entity uses in its day to day management of the Fund's cash requirements.

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

(e) Investment income

Interest income from financial assets measured at amortised cost is earned on cash and cash equivalents and is recognised on an accrual basis.

Dividends are recognised as income on the date the share is quoted ex-dividend with any related foreign withholding tax recognised as a tax expense.

Distributions from listed securities and unlisted managed investment funds are recognised as income on the date the unit is quoted ex-distribution with any related foreign withholding tax recognised as a tax expense.

(f) Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accrual basis.

2 Summary of significant accounting policies (continued)

(g) Income tax

Under tax legislation, the Fund is generally not liable to pay income tax because the AMIT tax regime applies and unitholders are attributed the income of the Fund.

The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recognised gross of withholding tax in the Statement of Comprehensive Income and the withholding tax is recognised as a tax expense.

(h) Distributions to unitholders

Distributions are presented in the Statement of Comprehensive Income as finance costs attributable to unitholders. The Fund's Constitution has no contractual obligation for the Responsible Entity to distribute trust income to unitholders.

Distributions are payable as set out in the Fund's offering document. Such distributions are determined by the Responsible Entity of the Fund.

(i) Foreign currency translation

i) Functional and presentation currency

Items included in the Fund's Financial Report are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for capital and is regulated. The Australian dollar 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 currencies are recognised in the Statement of Comprehensive Income.

The Fund does not isolate that portion of gains or losses on securities and derivative financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included within the net gains or losses on financial instruments at fair value through profit or loss.

(j) Due from/to brokers

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses (ECLs) 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 ECLs. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross 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.

(k) Receivables

Receivables are recognised for amounts where settlement has not yet occurred. Receivables are measured at amortised cost and are generally received within 30 days of being recognised as receivables. Given the short-term nature of most receivables, their carrying amounts approximate their fair values.

Impairment

AASB 9 requires the Fund to record ECLs on all of its receivables on a 12-month basis. Given the limited exposure of the Fund to credit risk, no material ECLs have been recognised. The Fund only holds receivables with no financing component and that have maturities of less than 12 months.

2 Summary of significant accounting policies (continued)

(l) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Fund. Payables are measured at their nominal amounts. Amounts are generally paid within 30 days of being recognised as payables. Given the short-term nature of most payables, their nominal amounts approximate their fair values.

(m) Interest bearing liabilities

Interest bearing liabilities are initially recognised at the fair value of the consideration received net of directly attributable transaction costs.

Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method. Under this method, fees, costs, discounts and premiums directly related to the interest bearing liability are spread over its expected life.

(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.

Unit prices are determined by reference to the net assets per the Fund's Constitution divided by the number of units on issue at or immediately prior to the close of each business day.

(o) Goods and services tax ("GST")

The GST incurred on the costs of various services provided to the Fund by third parties such as custodial services and investment management fees has been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC") at a rate of 55% or 75%, hence investment management fees, custodial fees and other expenses have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position. Cash flows relating to GST are included in the Statement of Cash Flows on a gross basis.

(p) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(q) Structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Fund.

The Responsible Entity has assessed whether the managed investment funds in which the Fund invests in should be classified as structured entities. The Responsible Entity has considered the voting rights and other similar rights afforded to investors in these funds, including the rights to remove the fund manager or redeem holdings. The Responsible Entity has concluded on whether these rights are the dominant factor in controlling the funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling these funds.

As voting rights or similar rights are the dominant factor in deciding who controls the funds, the Responsible Entity has concluded that the managed investment funds in which the Fund invests in are not structured entities.

(r) Rounding

The amounts in the Financial Report have been rounded to the nearest dollar, under the option available to the Fund under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

3 Financial risk management

(a) Overview

The Fund is exposed to credit risk, liquidity risk and market risk arising from the financial instruments it holds. The Investment Manager is responsible for managing these risks and does so through a process of ongoing identification, measurement and monitoring.

The Responsible Entity has in place a framework which includes:

- The investment manager providing the Responsible Entity with regular reports on their compliance with the Investment Management Agreement;
- Completion of regular reviews on the service providers which may include a review of the investment managers risk management framework to manage the financial risks of the Fund; and
- Regular reporting on the liquidity of the Fund in accordance with the Fund's Liquidity Risk Management Statement.

Risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Fund from reasonably foreseeable changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept.

This information is prepared by the investment manager and regularly reported to the investment manager's key management personnel and to relevant parties within the Responsible Entity.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Fund currently invests in three unlisted managed investment funds. In order to avoid excessive concentration of risk, the Investment Manager monitors the Fund's exposures to ensure concentrations of risk remain within acceptable levels.

(b) Market risk

Market risk is defined as the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. The Fund's investment activities are undertaken in accordance with established mandate limits and investment strategies.

Australian Accounting Standards require the disclosure of sensitivity to changes in market risk variables such as interest rates, foreign exchange rates and equity prices. This sensitivity is not intended to show the impact on the Fund's financial performance for the entire period, just an illustrative example of the direct impact of a change in value of the financial instruments measured at the balance date as a result of the change in market rate. The sensitivity is required to show the impact of a reasonably possible change in market rate over the period to subsequent balance date. It is not intended to illustrate a remote, worst case or stress test scenario.

Price risk

Price risk is the risk that the fair value of equity securities and managed investment funds decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual equity securities or managed investment funds or factors affecting all instruments in the market. Price risk exposure arises from the Fund's investment portfolio. Price risk is managed by monitoring compliance with established investment mandate limits.

All securities present a risk of loss of capital. The maximum risk resulting from equity securities and managed investment funds is determined by the fair value of the financial instruments.

3 Financial risk management (continued)

(b) Market risk (continued)

Price risk (continued)

The table below demonstrates the impact of a 10% movement in the price of units in equity securities and managed investment funds. This sensitivity analysis has been performed to assess the direct risk of holding equity securities and managed investment funds with all other variables held constant. It is assumed that the relevant change occurs at the balance date.

	Impact on operating profit/(loss)/Net assets attributable to unitholders	
	-10%	+10%
	\$	\$
30 June 2023	(27,597,851)	27,597,851
30 June 2022	(36,431,733)	36,431,733

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The interest rate sensitivities for cash and cash equivalents and interest bearing liabilities are not significant to the Fund.

The Fund's gearing level is restricted to a maximum of 30% of the Fund's gross asset value at the time of borrowing as described in the Fund's Product Disclosure Statement.

Foreign exchange risk

Foreign exchange risk is the risk that the value of monetary securities denominated in currencies other than the Australian dollar will fluctuate due to changes in foreign exchange rates. The risk is measured using sensitivity analysis.

The foreign exchange sensitivities for the value of monetary securities denominated in currencies other than the Australian dollar are not significant to the Fund.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The Fund's maximum credit risk exposure at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the maximum exposure at the balance date.

In relation to investment in equity securities and managed investment funds, the credit risk associated with these financial instruments is minimised by undertaking transactions with counterparties on recognised exchanges, and ensuring that, where possible, transactions are undertaken with a number of counterparties to avoid concentration of credit risk.

Credit risk is not considered to be significant to the Fund. Receivable balances are monitored on an ongoing basis. The Fund's exposure to bad debts is not significant

There are no financial assets that are past due or impaired (30 June 2022: nil).

3 Financial risk management (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities as and when they fall due. Cash flow risk is the risk that future cash flows associated with financial instruments will fluctuate in amount or timing.

These risks are controlled through the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

Maturity analysis for financial liabilities

Financial liabilities of the Fund comprise trade and other payables, distributions payable, interest bearing liabilities and net assets attributable to unitholders - liability. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days of the obligation arising.

The table below details the Fund's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

	Less than 1 month	1-6 months	6-12 months	Over 12 months
	\$	\$	\$	\$
At 30 June 2023				
Distributions payable	2,771,978	-	-	-
Due to brokers	454,449	-	-	-
Payables	332,944	-	-	-
Interest bearing liabilities	-	-	-	20,000,000
Net assets attributable to unitholders - liability*	<u>261,304,359</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>264,863,730</u>	<u>-</u>	<u>-</u>	<u>20,000,000</u>
	Less than 1 month	1-6 months	6-12 months	Over 12 months
	\$	\$	\$	\$
At 30 June 2022				
Distributions payable	5,432,869	-	-	-
Due to brokers	3,173,936	-	-	-
Payables	383,829	-	-	-
Net assets attributable to unitholders - liability*	<u>375,945,938</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>384,936,572</u>	<u>-</u>	<u>-</u>	<u>-</u>

* Net assets attributable to unitholders - liability are redeemable at the unitholder's option (when the Fund is liquid) with redemption requests generally being payable each month within 10 Business Days. However the Fund has significant investments in unlisted managed investment funds which have redemption restrictions in place and as a result, these securities may take longer to realise than more liquid assets (refer to Note 4 for further details). The Fund's constitution allows for redemption requests to be paid up to 12 months or longer in certain circumstances. The Responsible Entity ensures sufficient cash and liquid assets are held to meet redemption volumes.

As at 30 June 2023, the Fund has a drawn \$20 million facility maturing in October 2025.

Maturities of derivative financial instruments

The table below details the Fund's derivative financial instruments (assets and liabilities) into relevant maturity groupings based on the remaining period at the maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 month	1-6 months	6-12 months	Over 12 months	Total
	\$	\$	\$	\$	\$
At 30 June 2023					
Inflows	932,338	-	-	-	932,338
(Outflows)	(930,490)	-	-	-	(930,490)
At 30 June 2022					
Inflows	-	-	-	-	-
(Outflows)	-	-	-	-	-

3 Financial risk management (continued)

(e) Fair value estimation

The carrying amounts of the Fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities measured at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments measured at fair value through profit or loss are measured at fair value with changes in fair value recognised in profit or loss.

For certain financial instruments, quoted market prices are readily available. However, certain financial instruments, including unquoted securities are fair valued using valuation techniques determined by the Investment Manager, in accordance with the valuation procedures approved by the Responsible Entity.

Further details on the determination of fair value of financial assets and derivative financial instruments is set out in Note 2(b) and Note 4.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the balance date without any deduction for estimated future selling costs. For the majority of its investments the Fund relies on prices from investment managers of the underlying managed investment funds for the valuation of its investments.

4 Fair value hierarchy

Financial assets and liabilities measured at fair value are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure a financial asset or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels are:

Level 1: Valued by reference to quoted prices in active markets for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: Valued using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These may include investment grade corporate bonds, certain unlisted unit trusts and over-the-counter derivatives.

Level 3: Valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable inputs are determined based on the best information available, which might include the Fund's own data, reflecting the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Valuation techniques are used to the extent that observable inputs are not available.

The table below shows the Fund's financial assets and liabilities measured at fair value on a recurring basis by each level of the fair value hierarchy. The Fund did not measure any financial assets or liabilities at fair value on a non-recurring basis as at 30 June 2023 (30 June 2022: nil).

30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets measured at fair value through profit or loss				
Derivatives	-	3,911	-	3,911
Listed securities	92,336,176	-	-	92,336,176
Unlisted managed investment funds	-	-	183,642,335	183,642,335
Total	92,336,176	3,911	183,642,335	275,982,422
Financial liabilities measured at fair value through profit or loss:				
Derivatives	-	(2,063)	-	(2,063)
Total	-	(2,063)	-	(2,063)

4 Fair value hierarchy (continued)

30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets measured at fair value through profit or loss				
Financial assets held for trading:				
Listed securities	141,814,670	-	-	141,814,670
Unlisted managed investment funds	-	-	222,502,657	222,502,657
Total	<u>141,814,670</u>	<u>-</u>	<u>222,502,657</u>	<u>364,317,327</u>

The Fund recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year ended 30 June 2023 (financial year ended 30 June 2022: nil).

Valuation techniques

The fair value of listed securities is the "bid" price of those securities, as quoted on their primary exchange at the balance date. If any listed securities are suspended from the relevant exchange at balance date, fair value is determined by reference to the last traded price, unless it is determined that another valuation basis is more appropriate. The fair value of each unlisted managed investment fund classified as a Level 3 asset was determined in accordance with the Fund's valuation policy on the basis of the published net asset price of the underlying investment fund, with a valuation overlay adjustment where required at the balance date. These net asset prices are based on the net asset value of each fund, which is largely comprised of investment property held at fair value, determined by regular independent valuations. If the fair value of investment property held by the underlying funds increases or decreases, this would have a direct impact on the fair value of unlisted managed investment funds.

Other than the valuation adjustment that was applied to the published net asset price of the Mirvac Wholesale Office Fund, there were no significant changes in valuation techniques during the year. A valuation adjustment to the net asset price of a given unlisted managed investment fund is recognised when the investment manager determines that current volatility in markets is impacting asset prices as observed in recent trading activity for that unlisted managed investment fund and other corroborating evidence.

For financial assets and liabilities categorised as Level 3 of the fair value hierarchy, the valuation processes applied in valuing such assets is governed by the Fund's valuation policy. This Policy outlines the asset valuation methodologies and processes applied to measure non-exchange traded assets which have no regular market price, including listed securities suspended from the relevant exchange, unlisted investment structures, over-the-counter derivatives and investment property.

4 Fair value hierarchy (continued)

Valuation techniques (continued)

The table below shows a reconciliation of the movement in the fair value of financial assets and liabilities categorised within Level 3 between the beginning and the end of the year and prior financial year.

	Opening balance	Purchases	Sales	Net transfers in/(out)	Net changes in the fair value of financial instruments measured at fair value through profit or loss	Closing balance	Total gain/(loss) for the year included in net changes in the fair value of financial instruments attributable to Level 3 instruments held at year end
	\$	\$	\$	\$	\$	\$	\$
30 June 2023							
Unlisted managed investment funds	<u>222,502,657</u>	-	<u>(5,935,607)</u>	-	<u>(32,924,715)</u>	<u>183,642,335</u>	<u>(35,259,087)</u>
Total	<u>222,502,657</u>	-	<u>(5,935,607)</u>	-	<u>(32,924,715)</u>	<u>183,642,335</u>	<u>(35,259,087)</u>
30 June 2022							
Unlisted managed investment funds	<u>214,241,734</u>	-	-	-	<u>8,260,923</u>	<u>222,502,657</u>	<u>8,260,923</u>
Total	<u>214,241,734</u>	-	-	-	<u>8,260,923</u>	<u>222,502,657</u>	<u>8,260,923</u>

Unlisted managed investment funds classified as Level 3 comprise investments in Dexus Wholesale Shopping Centre Fund, Mirvac Wholesale Office Fund and AMP Capital Hedged US Plus Property Fund. These securities are classified as Level 3 assets due to the redemption restrictions in place in these funds. As a result, these securities may take longer to realise than more liquid assets and the final amounts realised could be different to the amounts recognised in the Financial Report.

In February 2023, the Fund participated in the Mirvac Wholesale Office Fund liquidity facility which resulted in proceeds from the redemption of Mirvac Wholesale Office Fund units of \$5.9 million being received in March 2023. The majority of the proceeds were invested into the Fund's listed portfolio.

AMP Capital Hedged US Plus Property Fund, which comprises 0.01% of the Fund's investment portfolio as at 30 June 2023 (30 June 2022: 0.17%) has been terminated and is in the process of being wound up. Redemptions of units are restricted during the wind up process, however unitholder funds shall be progressively returned as assets are realised and the wind up process is completed.

5 Auditors' remuneration

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

	Year ended	
	30 June 2023 \$	30 June 2022 \$
Audit services		
Ernst & Young		
Audit and review of the Financial Statements of the Fund	<u>37,805</u>	<u>35,405</u>
PricewaterhouseCoopers		
Audit of the compliance plan	<u>2,833</u>	<u>2,475</u>
Total remuneration for audit services	<u>40,638</u>	<u>37,880</u>

6 Net assets attributable to unitholders

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

	Year ended			
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	No.	No.	\$	\$
Net assets attributable to unitholders - On-Platform Class A				
Opening balance	273,072,074	316,486,452	356,570,340	428,865,579
Applications	19,155,656	34,571,392	24,872,238	48,448,309
Redemptions	(106,896,206)	(77,985,770)	(137,973,735)	(109,050,950)
Decrease in net assets attributable to unitholders from operations	-	-	(32,103,386)	(11,692,598)
Closing balance	<u>185,331,524</u>	<u>273,072,074</u>	<u>211,365,457</u>	<u>356,570,340</u>
Net assets attributable to unitholders - Off-Platform Class O				
Opening balance	55,587	125,100	49,964	116,511
Applications	-	21,465	-	20,000
Redemptions	-	(96,222)	-	(88,312)
Units issued upon reinvestment of distributions	2,368	5,244	2,108	5,029
Decrease in net assets attributable to unitholders from operations	-	-	(6,458)	(3,264)
Closing balance	<u>57,955</u>	<u>55,587</u>	<u>45,614</u>	<u>49,964</u>
Net assets attributable to unitholders - Off-Platform Class H				
Opening balance	16,333,912	18,543,289	19,325,634	22,811,477
Applications	33,703,324	113,585	40,186,400	143,994
Redemptions	(2,014,529)	(2,516,782)	(2,305,103)	(3,191,052)
Units issued upon reinvestment of distributions	425,999	193,820	499,549	245,038
Decrease in net assets attributable to unitholders from operations	-	-	(7,813,192)	(683,823)
Closing balance	<u>48,448,706</u>	<u>16,333,912</u>	<u>49,893,288</u>	<u>19,325,634</u>
Total net assets attributable to unitholders	<u>233,838,185</u>	<u>289,461,573</u>	<u>261,304,359</u>	<u>375,945,938</u>

As stipulated in the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets in 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. Except for different management fee rates, the three different classes have the same preferences and restrictions.

Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding 'net assets attributable to unitholders' is classified as a financial liability. Net assets attributable to unitholders can change significantly as the Fund is subject to daily applications and monthly redemptions at the discretion of unitholders.

7 Financial assets measured at fair value through profit or loss

	As at	
	30 June 2023 \$	30 June 2022 \$
Derivatives	3,911	-
Listed securities	92,336,176	141,814,670
Unlisted managed investment funds	<u>183,642,335</u>	<u>222,502,657</u>
Total financial assets measured at fair value through profit or loss	<u>275,982,422</u>	<u>364,317,327</u>

An overview of the risk exposures relating to financial assets measured at fair value through profit or loss is included in Note 3.

8 Financial liabilities measured at fair value through profit or loss

	As at	
	30 June 2023 \$	30 June 2022 \$
Derivatives	<u>2,063</u>	<u>-</u>
Total financial liabilities measured at fair value through profit or loss	<u>2,063</u>	<u>-</u>

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

9 Interest bearing liabilities

	As at	
	30 June 2023 \$	30 June 2022 \$
Bank loan	<u>20,000,000</u>	<u>-</u>
	<u>20,000,000</u>	<u>-</u>

Financing arrangements

On 21 October 2022, the Fund's \$20 million debt facility with Westpac Banking Corporation was extended by 3 years to 21 October 2025. On 25 October 2022, \$20 million was drawn down. On 2 December 2022, \$15 million was repaid and on 23 December 2022 a further \$5 million was repaid on this facility from \$30 million proceeds of capital contributions received from AMP Capital Finance Limited in two amounts of \$20 million and \$10 million on 29 November 2022 and 15 December 2022, respectively. A further capital contribution amount of \$10 million was received from AMP Capital Finance Limited on 17 January 2023. At the time of these capital contributions, AMP Capital Finance Limited was a related party of AMP Capital Investors Limited; both entities were under common control of AMP Limited.

On 27 April 2023, 25 May 2023 and 23 June 2023, \$8.8 million, \$5 million and \$6.2 million were drawn down respectively. At balance date the Westpac debt facility was fully drawn.

Interest related to the loan accrues at a total rate of BBSY + 1.95% on the outstanding principal. Interest expense recognised during the year ended 30 June 2023 was \$239,456.

10 Related party transactions (continued)

Responsible Entity's fees and other transactions

Under the terms of the Fund's Constitution, the Responsible Entity is entitled to receive a fee for managing the Trust and making it available to investors. The Investment Manager is entitled to receive a management fee at the rates stipulated in the Product Disclosure Statement.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity and Investment Manager were as follows:

	30 June 2023	30 June 2022
	\$	\$
Responsible Entity and management fees for the year	3,930,978	4,542,818
Aggregate amounts payable at the reporting date	285,134	353,975

Related party unitholdings

Parties related to the Fund (including The Trust Company (RE Services) Limited and its related parties, the investment manager and its related parties and other schemes managed by The Trust Company (RE Services) Limited and the investment manager), held the following units in the Fund:

	Number of units held	Interest held	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions paid or payable during the financial year
		%			\$
30 June 2023					
AMP Capital Finance Limited*	-	-	33,763,204	(33,763,204)	260,120
30 June 2022					
AMP Capital Finance Limited	-	-	-	-	-

*Upon the first stage completion of AMP Limited's sale of the AMP Capital real estate and domestic infrastructure equity business to Dexus Funds Management Limited on 24 March 2023, Dexus acquired AMP Capital Finance Limited's co-investment stake in the Fund on the same date. As a result, Dexus Funds Management Limited (as responsible entity for Dexus Property Trust) held 33,763,204 units (14%) in the Fund at 30 June 2023. Subsequent to the end of the financial year, Dexus Funds Management Limited was also appointed as the investment manager of the Fund on 7 August 2023 in place of AMP Capital Investors Limited.

Investments

The Fund held investments in the following Funds which are also managed by the Investment Manager or its related parties:

	Fair value of investment		Interest held		Distributions received or receivable during year	
	\$		%		\$	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Mirvac Wholesale Office Fund*	N/A	132,264,209	N/A	2.19	1,033,113	3,816,736
Dexus Wholesale Shopping Centre Fund	82,958,411	89,631,227	3.25	3.25	4,225,090	4,274,648
AMP Capital Hedged US Plus Property Fund	32,774	607,221	27.79	27.82	2,029,385	3,633,054
AMP Capital Managed Cash Fund	-	6,568,444	-	0.18	28,869	8,535

*The Fund continues to hold the investment in the Mirvac Wholesale Office Fund (formerly known as AMP Capital Wholesale Office Fund) at 30 June 2023. However, as a result of the change in Mirvac Wholesale Office Fund's trustee from AMP Capital Investors Limited to Mirvac Funds Management Australia Limited on 30 September 2022, Mirvac Wholesale Office Fund is no longer a related party and the fair value of the investment has not been included in the related party disclosure as at 30 June 2023. Distributions received or receivable relate to the period when Mirvac Wholesale Office Fund's trustee was AMP Capital Investors Limited.

11 Reconciliation of profit to net cash inflow from operating activities

	Year ended	
	30 June 2023	30 June 2022
	\$	\$
(a) Reconciliation of profit to net cash inflow from operating activities		
Profit for the year	-	-
Decrease in net assets attributable to unitholders from operations	(39,923,036)	(12,379,685)
Distributions to unitholders	11,815,223	16,743,687
Proceeds from sales of financial instruments measured at fair value through profit or loss	99,686,992	150,570,287
Payments for purchases of financial instruments measured at fair value through profit or loss	(47,639,131)	(96,125,660)
Net losses on financial instruments measured at fair value through profit or loss	37,128,150	7,399,242
Investment income reinvested	(1,112,011)	(1,311,737)
Net foreign exchange (gain)/loss	(266)	1,521
Net change in receivables	1,396,124	16,293,065
Net change in payables	(50,885)	9,003
Net cash inflow from operating activities	<u>61,301,160</u>	<u>81,199,723</u>
(b) Non-cash financing and operating activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	501,657	250,067
During the year, the following acquisitions were satisfied by participation in distribution reinvestment plans	1,112,011	1,311,737
	<u>1,613,668</u>	<u>1,561,804</u>

12 Significant events during the year

On 23 January 2023, Simone Mosse resigned as Director and Christopher Green was appointed as Director.

On 27 April 2022, Dexus Funds Management Limited (“Dexus”) and AMP Limited (“AMP”) announced that the parties had entered into an agreement for the sale of AMP Capital’s real estate and domestic infrastructure equity business to Dexus Funds Management Limited, subject to a number of conditions precedent. On 20 March 2023, it was announced that AMP and Dexus entered into a binding agreement for an alternative transaction structure with a two-stage completion process. The first stage of the transaction completed on 24 March 2023. The terms of the agreement for the alternative transaction structure included changing the Fund's investment manager, AMP Capital Investors Limited to a Dexus entity effective 7 August 2023.

On 21 October 2022, the Fund’s \$20 million debt facility with Westpac Banking Corporation was extended by 3 years to 21 October 2025. On 25 October 2022, \$20 million was drawn down. On 2 December 2022, \$15 million was repaid and on 23 December 2022 a further \$5 million was repaid on this facility from \$30 million proceeds of capital contributions received from AMP Capital Finance Limited in two amounts of \$20 million and \$10 million on 29 November 2022 and 15 December 2022, respectively. A further capital contribution amount of \$10 million was received from AMP Capital Finance Limited on 17 January 2023. At the time of these capital contributions, AMP Capital Finance Limited was a related party of AMP Capital Investors Limited; both entities were under common control of AMP Limited.

On 27 April 2023, 25 May 2023 and 23 June 2023, \$8.8 million, \$5 million and \$6.2 million were drawn down respectively. At balance date the Westpac debt facility was fully drawn.

Upon the first stage completion of AMP Limited’s sale of the AMP Capital real estate and domestic infrastructure equity business to Dexus Funds Management Limited on 24 March 2023, Dexus acquired AMP Capital Finance Limited's co-investment stake in the Fund on the same date. Refer to Note 10 for further details.

There were no other significant events during the year ended 30 June 2023.

13 Events occurring after the reporting period

Dexus Fund Management Limited (ABN 24 060 920 783) was appointed as the investment manager of the Fund on 7 August 2023 in place of AMP Capital Investors Limited (ABN 59 001 777 591).

The Directors are not aware of any other event or circumstance since the end of the financial year not otherwise addressed within this report that has affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent years. The Fund continues to operate as a going concern.

14 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2023 (30 June 2022: nil).

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 6 - 26 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 2023 and of its performance for the financial year ended on that date,
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (c) Note 2(a)(i) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director: GLENN FOSTER
The Trust Company (RE Services) Limited
13 September 2023



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Independent auditor's report to the unitholders of Dexus Core Property Fund

Opinion

We have audited the financial report of Dexus Core Property Fund (the "Fund"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant 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 2023 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

The directors of The Trust Company (RE Services) Limited as the Responsible Entity of the Fund 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.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Responsible Entity.
- ▶ Conclude on the appropriateness of the directors' 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink, appearing to read 'E. Shadforth' in a cursive style.

Elliott Shadforth
Partner
Sydney
13 September 2023