

601 Coronation Drive Fund

ARSN 610 941 654

Interim report for the half-year ended 31 December 2019

Index to the Financial Statements

	Page
Directors' Report	1
Auditor's Independence Declaration	3
Independent Auditor's Report	4
Directors' Declaration	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Net Assets Attributable to Unitholders	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

Directors' Report

The directors of One Managed Investment Funds Limited (ACN 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the responsible entity of 601 Coronation Drive Fund ARSN 610 941 654 (the "Fund"), submit the interim financial report of the Fund for the half-year ended 31 December 2019.

Responsible Entity

The responsible entity of the Fund is OMIFL. The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

Information about the Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity were:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director (appointed as a director on 1 October 2019)
Justin Epstein	Non-Executive Director (resigned as a director on 1 October 2019)

Principal Activities

The Fund is an unlisted registered managed investment scheme, incorporated and domiciled in Australia.

The principal activity of the Fund from 1 July 2019 to 31 December 2019 was to manage the investment property to generate rental income.

The Fund did not have any employees during the half-year ended 31 December 2019.

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of these interim financial statements. The income attributable to unitholders for the half-year ended 31 December 2019 was \$973,131 (31 December 2018: \$1,458,296).

Distributions

In respect of the half-year ended 31 December 2019, a distribution of \$504,018 was payable to unitholders (half-year ended 31 December 2018: \$505,399).

Value of Assets and Units Issued

The total value of the Fund's assets at 31 December 2019 was \$48,730,730 (30 June 2019: \$48,624,974). The total number of units on issue as at 31 December 2019 was 25,063,915 (30 June 2019: 25,063,915).

Significant Changes in State of Affairs

On 12 August 2019, the term of the debt facility with St. George Bank was extended to 16 September 2019. On 16 September 2019, the investment manager of the Fund (the "Manager") finalised a new replacement 2 year debt facility with ING Bank. The new facility resulted in a significantly lower interest rate compared to the previous facility. To support the refinancing, an independent valuation of the investment property at 601 Coronation Drive, Toowong Qld (the "Property") was obtained dated 25 July 2019 which valued the Property at \$47,800,000.

For the half-year ended 31 December 2019 there were no other significant changes in the state of affairs of the Fund.

Directors' Report (continued)

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 3.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle

Director

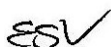
11 March 2020

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF 601 CORONATION DRIVE FUND

In accordance with the requirements of section 307C of the Corporations Act, as auditor for the review of 601 Coronation Drive Fund for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Dated at Sydney the 11th of March 2020



ESV Business advice and accounting



Tim Valtwies
Partner



INDEPENDENT REVIEW REPORT TO THE UNITHOLDERS OF 601 CORONATION DRIVE FUND

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of 601 Coronation Drive Fund ("the Fund"), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Responsibilities of the directors for the Half-Year financial report

The directors of the One Managed Investment Funds Limited ("the Responsible Entity") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year ended financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

INDEPENDENT REVIEW REPORT TO THE UNITHOLDERS OF 601 CORONATION DRIVE FUND

Opinion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of 601 Coronation Drive Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Dated at Sydney on the 11th of March 2020

ESV

ESV Business advice and accounting



Tim Valtwies
Partner

Directors' Declaration

The directors of the Responsible Entity declare that:

- the attached financial statements and notes set out on pages 7 to 21 comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 31 December 2019 and of its performance for the half-year ended 31 December 2019; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors of the Responsible Entity made pursuant to Section 303(5) of the Corporations Act 2001.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle

Director

11 March 2020

**Statement of Profit or Loss and Other Comprehensive Income for the half-year ended
31 December 2019**

	Notes	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
Income			
Rental and other property income		2,020,924	2,045,444
Straight-line rental income		23,767	89,961
Interest income		4,507	9,068
Unrealised fair value gain on investment property	6	138,306	624,611
Unrealised fair value loss on financial instrument designated at fair value through profit and loss		-	(20,784)
Total income		2,187,504	2,748,300
Expenses			
Finance costs		514,983	566,294
Administration expenses	4	193,459	189,146
Audit fees		6,960	8,460
Professional fees		32,869	23,157
Insurance expenses		19,381	10,746
Rental property expenses		446,721	492,201
Total expenses		1,214,373	1,290,004
Net income attributable to unitholders		973,131	1,458,296
Net income for the period		973,131	1,458,296
Other comprehensive income		-	-
Total comprehensive income attributable to unitholders		973,131	1,458,296

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Financial Position as at 31 December 2019

	Notes	31 December 2019 \$	30 June 2019 \$
Assets			
Current assets			
Cash and cash equivalents		712,320	953,750
Trade receivables		207	8,106
Prepayments		137,613	102,455
Total current assets		850,140	1,064,311
Non-current assets			
Investment property	6	47,880,590	47,560,663
Total non-current assets		47,880,590	47,560,663
Total assets		48,730,730	48,624,974
Liabilities			
Current liabilities			
Trade and other payables	7	641,307	696,779
Interest bearing liabilities	8	-	25,860,000
Total current liabilities		641,307	26,556,779
Non-current liabilities			
Interest bearing liabilities		26,056,133	-
Total non-current liabilities		26,056,133	-
Total liabilities (excluding net assets attributable to unitholders)		26,697,440	26,556,779
Net assets attributable to unitholders		22,033,290	22,068,195

The accompanying notes to the financial statements should be read in conjunction with this statement.

**Statement of Changes in Net Assets Attributable to Unitholders for the half-year ended
31 December 2019**

		Half-year ended 31 December 2019	Half-year ended 31 December 2018
	Notes	\$	\$
Opening balance		22,068,194	21,593,775
Units issued during the period		-	490,000
Total comprehensive income		973,131	1,458,296
Redemptions for the period		-	(490,000)
Distributions for the period	10	(1,008,035)	(1,010,798)
Net assets attributable to unitholders	9	22,033,290	22,041,273

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Cash Flows for the half-year ended 31 December 2019

Notes	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
Cash flows from operating activities		
Rent received	2,230,915	2,198,344
Interest received	4,507	9,116
Finance costs paid	(249,645)	(573,416)
Payments to suppliers	(1,121,300)	(1,052,357)
Net cash provided by operating activities	<u>864,477</u>	<u>581,687</u>
Cash flows from investing activities		
Payments of capital expenditures	(172,561)	(373,810)
Net cash used in investing activities	<u>(172,561)</u>	<u>(373,810)</u>
Cash flows from financing activities		
Proceeds from loans	25,930,000	755,494
Payment of loans	(25,860,000)	-
Distributions paid to unitholders	(1,003,346)	(1,005,146)
Net cash used in financing activities	<u>(933,346)</u>	<u>(249,652)</u>
Net decrease in cash and cash equivalents	(241,430)	(41,775)
Cash and cash equivalents at the beginning of the half-year	<u>953,750</u>	<u>1,063,263</u>
Cash and cash equivalents at the end of the half-year	<u>712,320</u>	<u>1,021,488</u>

The accompanying notes to the financial statements should be read in conjunction with this statement.

Notes to the Financial Statements

1. General Information

This interim financial report covers 601 Coronation Drive Fund (ARSN 610 941 654) (the "Fund") which is an unlisted registered managed investment scheme.

The responsible entity of the Fund is One Managed Investment Funds Limited (ACN 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"). The Responsible Entity's registered office and principal place of business is Level 11, 20 Hunter Street, Sydney NSW 2000.

The investment manager of the Fund is Capital Property Funds Pty Limited (ACN 162 323 506) (the "Manager").

The interim financial report is for the half-year ended 31 December 2019.

The interim 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 re-issue the financial report.

2. Adoption of New and Revised Accounting Standards and Interpretations

There were no new accounting standards adopted during the period which had a significant impact on the reported position and performance of the Fund. As the Fund operates as a lessor, AASB 16 has no impact on the Fund's accounting for leases.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

(a) Statement of compliance

These general purpose financial statements for the half-year ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements.

(b) Basis of preparation

This general purpose interim financial report is presented in Australian dollars and has been prepared using historical cost convention except for the investment property, which is measured at fair value and discussed in (l) below.

(c) Going concern basis

This general purpose interim financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

(d) Revenue and income recognition

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(d) Revenue and income recognition (continued)

Rental income is brought to account on a straight-line basis over the lease term for leases with fixed rent review increases. In all other circumstances, rental income is brought to account on an accrual basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When the Fund provides lease incentives to tenants, the costs of the incentives are recognised over the lease term, on a straight-line basis, as reduction in rental income.

Interest income is recognised as the interest accrues using the effective interest rate method.

Other income is recognised when the right to receive the revenue has been established.

All income is stated net of goods and services tax ("GST").

(e) Expenses

All expenses, including the Responsible Entity's fees and custodian fees, are recognised in profit or loss on an accrual basis.

(f) 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 insignificant risk of changes in value. For the Statement of Cash Flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the Statement of Financial Position.

(g) Taxation

Under the current tax legislation, the Fund is not subject to income tax provided that the Fund entirely distributes its taxable income to unitholders who are presently entitled to the income of the Fund.

There is no income of the Fund to which the unitholders are not currently entitled. Additionally, the Fund's Constitution requires the distribution of the full amount of the net income of the Fund to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that the taxable gains are realised by the Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

(h) Distributions

The Fund distributes its distributable income, calculated in accordance with the Fund's Constitution, Product Disclosure Statement (the "PDS") and applicable tax legislation, to unitholders who are presently entitled to the income under the Fund's Constitution. In accordance with the PDS, distributions will only be paid from the Fund's cash from operations and reserves. Refer to operating income presented in the Director's Report.

(i) Payables

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(j) Receivables

Trade receivables that have less than 90-day terms are recognised and carried at original cost less an allowance (expected credit loss) for any uncollectible amounts.

An assessment of recoverability of trade and other receivables is performed by the Manager on an ongoing basis. The Manager considers various factors to determine the recoverability of receivables including factors such as existence of bank guarantees, deposits held, recent payment patterns and correspondence with tenants.

The movements in allowance accounts are recognised in the Statement of Profit or Loss and Other Comprehensive Income, either as gain or loss. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent year, it is written off against the allowance account.

(k) Interest Bearing Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received. After the initial recognition, the interest bearing borrowings are measured at cost using the effective interest method.

Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing expenses including interest, issue and other transaction costs are expensed in the Statement of Profit or Loss and Other Comprehensive Income as incurred unless they relate to qualifying assets.

(l) Investment Property

The investment property principally comprises of freehold land and building held for long-term rental and capital appreciation that are not occupied by the Fund. The investment property is initially recognised at cost, including transaction costs, and is subsequently remeasured at fair value. Movements in fair value are recognised directly in the Statement of Profit or Loss and Other Comprehensive Income.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

The reported fair value of the investment property reflects market conditions at the reporting date. While this represents the best estimate as at the reporting date, the actual sale price achieved may be higher or lower than the most recent valuation. This is particularly relevant in periods of market illiquidity or uncertainty.

Any gains or losses arising from the changes in the fair value of investment property are included in the Statement of Profit or Loss and Other Comprehensive Income in the reporting period in which they arise.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(m) Derivative Financial Instruments

The Fund was exposed to changes in interest rates and used interest rate swaps to manage its exposure to interest rate risk up until the St George Bank loan was re-financed with ING Bank on 16 September 2019. Under the terms of the new loan, the Fund was not required to enter into an interest rate swap arrangement.

Up until 16 September 2019, the derivative financial instruments were initially recognised at fair value on the date on which a derivative contract was entered into and were subsequently remeasured to fair value. The resulting gain or loss was recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of the acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is recognised as a receivable or payable on the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis.

The GST component of cash flows arising from financing activities which is recoverable from or payable to the taxation authority is classified as operating cash flow.

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

GST is not payable in respect of the acquisition, disposal or withdrawal of units, nor in respect of any distributions paid by the Fund.

The ultimate GST treatment of the subsequent disposal of the property may differ from the treatment at acquisition and may depend upon the relevant circumstances at the time.

(o) Use of Significant Accounting Estimates and Judgments

The directors of the Responsible Entity evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Fund.

Key estimates – fair value of investment property

The Fund carries its investment property at fair value with changes in the fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income. In accordance with the Fund's PDS, the investment property will be independently revalued at least once every three years. It will also be revalued by an independent valuer in the intervening years if it is likely that there has been a material change in the value of the Property.

At the end of each reporting period, the directors of the Responsible Entity update their assessment of the fair value of the property, taking into account the most recent independent valuation. The key assumptions used in this determination are set out in Note 3(l). If there is any material change in the key assumptions due to changes in economic conditions, the fair value of the investment property may differ and may need to be re-estimated.

Notes to the Financial Statements

4. Administration Expenses

	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
Management fees	131,456	128,002
Responsible entity fees	35,020	34,434
Registry fees	7,729	7,869
Accounting and tax fees	11,270	11,000
Custody fees	7,984	7,841
Total for the half-year	193,459	189,146

5. Operating Income

	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
Rental and other property income	2,020,924	2,045,444
Interest income	4,507	9,068
Administration fees	(193,459)	(189,146)
Audit and professional fees	(39,829)	(31,617)
Insurance expenses	(19,381)	(10,746)
Rental property expenses	(446,721)	(492,201)
Operating income before interest	1,326,041	1,330,802
Interest on loan facility	(444,332)	(566,294)
Operating income after interest	881,709	764,508

Notes to the Financial Statements

6. Investment Property

	31 December 2019	30 June 2019
	\$	\$
Opening balance	47,560,663	45,960,321
Unrealised fair value gain on investment property	138,306	595,043
Capital improvements	160,542	761,761
Deferred lease asset	23,767	168,697
Leasing fees	(2,688)	74,841
Closing balance	47,880,590	47,560,663

The investment property was valued on 25 July 2019 at \$47,800,000 by an accredited and independent valuer. The valuation was arrived at by considering relevant sales and rental data of comparable properties as well as using the capitalisation approach and discounted cash flow as valuation methods. The independent valuer applied a passing capitalisation rate of 7.25% in assessing the valuation of the investment property. As at 31 December 2019, the carrying value of the investment property has been increased by capital expenditures and its fair value adjusted by the deferred lease asset and leasing fees.

7. Trade and Other Payables

	31 December 2019	30 June 2019
	\$	\$
Distributions payable	503,925	499,905
Accrued charges	72,182	87,102
GST and withholding tax payable	65,200	82,739
Borrowing costs payable	-	27,033
Closing balance	641,307	696,779

8. Interest Bearing Liability

	31 December 2019	30 June 2019
	\$	\$
Current		
Interest bearing liability	-	25,860,000
Non-current		
Interest bearing liability	26,056,133	-
Closing balance	26,056,133	25,860,000

On 16 September 2019, the Fund entered into a replacement debt facility with ING for a period of 2 years, maturing on 15 September 2021. The Tranche A loan amount of \$25,930,000 is fully drawn and has a fixed interest rate of 2.84% for the life of the loan. The Tranche B loan amount of \$430,000 has been allocated for ACP's related CAPEX costs and remains undrawn as at 31 December 2019. A line fee of 1.00% of the undrawn Tranche B loan amount is charged quarterly and automatically capitalised to the loan.

The loan is secured by a registered first mortgage over the Property.

Notes to the Financial Statements

9. Net Assets Attributable to Unitholders

The following table shows the changes in net assets attributable to unitholders for the half-year ended 31 December 2019.

	31 December 2019		31 December 2018	
	No. of Units	\$	No. of Units	\$
Opening balance	25,063,915	22,068,194	25,063,915	21,593,775
Applications for units by unitholders	-	-	490,000	490,000
Redemptions of units by unitholders	-	-	(490,000)	(490,000)
Distributions paid to unitholders	-	(1,008,035)	-	(1,010,798)
Total comprehensive income	-	973,131	-	1,458,296
Closing balance	25,063,915	22,033,290	25,063,915	22,041,273

The Net Tangible Assets ("NTA") per Unit as at 31 December 2019 is \$0.8791 (31 December 2018: \$0.8794).

10. Distributions Paid and Payable

Each unit represents a right to an individual share in the Fund per the Constitution. There are no separate classes of units and each unit has the same rights attaching to it as all other units in the Fund.

	31 December 2019		31 December 2018	
	Cents per unit	\$	Cents per unit	\$
Distributions paid during the period	2.0109	504,017	2.0164	505,399
Distributions payable	2.0109	504,018	2.0164	505,399
Closing balance	4.0218	1,008,035	4.0328	1,010,798

11. Related Party Transactions

Transactions with related parties have taken place at arm's length and in the ordinary course of business.

(a) Transactions with Responsible Entity and its associated entities

The key management personnel of the Responsible Entity for the half-year ended 31 December 2019 are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director (appointed as a director on 1 October 2019)
Justin Epstein	Non-Executive Director (resigned as a director on 1 October 2019)

Notes to the Financial Statements

11. Related Party Transactions (continued)

(a) Transactions with Responsible Entity and its associated entities (continued)

Holding of units by the Responsible Entity, key management personnel and their associated entities as at 31 December 2019 and 31 December 2018 are as follows:

	31 December 2019		
	Unit class	Units held	% of the class
Frank Tearle	Ordinary	150,000	0.60%
	31 December 2018		
	Unit class	Units held	% of the class
Frank Tearle	Ordinary	150,000	0.60%

No fees or remuneration was paid directly to the key management personnel from the Fund for the half-year ended 31 December 2019 (half-year ended 31 December 2018: \$nil).

Responsible entity fees

Responsible Entity fees of \$35,020 plus GST were incurred for the half-year ended 31 December 2019 (half-year ended 31 December 2018: \$34,434), and \$5,837 plus GST was payable to One Managed Investment Funds Limited at the end of the period (half-year ended 31 December 2018: \$5,739). Refer to note 4.

Registry fees

Registry fees of \$7,729 plus GST were incurred for the half-year ended 31 December 2019 (half-year ended 31 December 2018: \$7,869), and \$1,916 plus GST was payable to One Registry Services Pty Limited, a wholly owned subsidiary of the One Investment Group, at the end of the period (half-year ended 31 December 2018: \$1,888). Refer to note 4.

Custody fees

Custody fees of \$7,984 plus GST were incurred for the half-year ended 31 December 2019 (half-year ended 31 December 2018: \$7,841), and \$1,327 plus GST was payable to One Managed Investment Funds Limited, the responsible entity of the Fund, at the end of the period (half-year ended 31 December 2018: \$1,304). Refer to note 4.

Accounting and administration fees

Accounting and administration fees of \$11,270 plus GST were incurred for the half-year ended 31 December 2019 (half-year ended 31 December 2018: \$11,000), and \$6,635 plus GST was payable to Unity Fund Services Pty Limited, an associated entity of the Responsible Entity, at the end of the period (half-year ended 31 December 2018: \$9,667). Refer to note 4.

There were no other fees paid / payable to the Responsible Entity for the half-year ended 31 December 2019.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time for the half-year ended 31 December 2019.

Notes to the Financial Statements

11. Related Party Transactions (continued)

(b) Transactions with Manager and its associated entities

The key management personnel of the Manager for the half-year ended 31 December 2019 are:

Name	Title
Julia Novella	Head of Funds Management
Andrew Kerr	Executive Director and Company Secretary
Joe Christie	Executive Director

Holding of units by the Manager, key management personnel and their associated entities as at 31 December 2019 and 31 December 2018 are as follows:

	31 December 2019		
	Unit class	Units held	% of the class
Andrew Kerr	Ordinary	20,000	0.08%
Joe Christie	Ordinary	20,000	0.08%
		40,000	0.16%
	31 December 2018		
	Unit class	Units held	% of the class
Andrew Kerr	Ordinary	20,000	0.08%
Joe Christie	Ordinary	20,000	0.08%
		40,000	0.16%

No fees or remuneration was paid directly to the key management personnel from the Fund for the half-year ended 31 December 2019 (half-year ended 31 December 2018: \$nil).

Investment management fees

Investment management fees of \$131,456 plus GST were incurred for the half-year ended 31 December 2019 (half-year ended 31 December 2018: \$128,002), and \$21,908 plus GST (half-year ended 31 December 2018: \$21,588) was payable to the Manager, at the end of the period. Refer to note 4.

There were no other fees paid / payable to the Manager for the half-year ended 31 December 2019.

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund for the half-year ended 31 December 2019 and there were no material contracts involving key management personnel's interests existing at the end of the half-year ended 31 December 2019.

Notes to the Financial Statements

12. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant 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

Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Half-year ended 31 December 2019				
<i>Assets</i>				
Investment property	-	-	47,880,590	47,880,590
Total assets	-	-	47,880,590	47,880,590
<i>Liabilities</i>	-	-	-	-
Total liabilities	-	-	-	-
Year ended 30 June 2019				
<i>Assets</i>				
Investment property	-	-	47,560,663	47,560,663
Total assets	-	-	47,560,663	47,560,663
<i>Liabilities</i>	-	-	-	-
Total liabilities	-	-	-	-

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Notes to the Financial Statements

12. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued using a discounted cash flow model.

The basis of the valuation of investment properties is fair value. The investment properties are revalued annually based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Level 3 assets and liabilities

Movements in level 3 assets during the current financial half-year are set out below:

Half-year ended 31 December 2019	Investment property \$	Total \$
Balance at 1 July 2019	47,560,663	47,560,663
Unrealised fair value gain on investment property	138,306	138,306
Additions	181,621	181,621
Disposals	-	-
Balance at 31 December 2019	<u>47,880,590</u>	<u>47,880,590</u>

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Adopted rate	Sensitivity
Investment property	Capitalisation rate	7.25%	0.25% change would increase/decrease fair value by \$1,700,000
	Internal rate of return	7.50%	0.25% change would increase/decrease fair value by \$900,000
	Terminal Yield	7.38%	0.25% change would increase/decrease fair value by \$1,000,000

13. Subsequent Events

There has not been any matter or circumstances occurring subsequent to the half-year ended 31 December 2019 that has significantly affected, or may significantly affect, the operations of the Fund, the results of the Fund, or the state of affairs of the Fund in future financial years.

14. Commitments and Contingencies

In order to comply with Government Legislation in Queensland, a fire engineer has been appointed to inspect the Fund's investment property at 601 Coronation Drive, Toowong (the "Property") to assess the façade cladding to determine if flammable aluminium composite panels ("ACPs") are present.

The preliminary report indicates that ACPs have been installed at the Property. An amount of \$430,000 to replace the ACPs has been allowed and will be funded by the undrawn Tranche B debt facility with ING which has been specifically entered into to fund this expense.

There were no other contingent assets and liabilities or commitments as at 31 December 2019.