

601 Coronation Drive Fund

ARSN 610 941 654

Interim report for the half-year ended 31 December 2020

Index to the Financial Statements

	Page
Directors' Report	1
Auditor's Independence Declaration	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Net Assets Attributable to Unitholders	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	20
Independent Auditor's Report	21

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 2020.

Responsible Entity

The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, 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

Principal Activities

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

The principal activity of the Fund is to manage the investment property at 601 Coronation Drive, Toowong, QLD ("Property") to generate rental income.

The Fund did not have any employees during the half-year ended 31 December 2020.

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 2020 was \$993,764 (31 December 2019: \$973,131).

Distributions

In respect of the half-year ended 31 December 2020, a distribution of \$505,399 was payable to unitholders (half-year ended 31 December 2019: \$504,018).

Value of Assets and Units Issued

The total value of the Fund's assets at 31 December 2020 was \$48,954,024 (30 June 2020: \$48,918,561). The total number of units on issue as at 31 December 2020 was 25,063,915 (30 June 2020: 25,063,915).

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the half-year ended 31 December 2020.

Directors' Report (continued)

COVID-19

The coronavirus, COVID-19, was first identified as a new, highly contagious virus in December 2019. The World Health Organisation declared a global pandemic in March 2020 and as at the date of these financial statements, COVID-19 remains prevalent throughout the world, including Australia. COVID-19 has caused unprecedented disruption to populations, businesses and general economic activity. The situation continues to have a significant impact on investment funds and their trustees and managers, both directly and indirectly.

As this situation is continuing, the Manager has been monitoring both the valuation of the Fund's assets and the Fund's liquidity and is in close contact with tenants and service providers in assessing the ongoing operations, liquidity and lending arrangements and the basis of the values and estimates reported.

As noted previously, a rental relief request was received from one tenant comprising 3.9% of the Property's net lettable area and the Fund Manager determined and granted the proportionate and appropriate relief. However, following recent lease negotiations, this has now been resolved and as at 31 December 2020, all outstanding rental relief obligations have been terminated.

The Manager will continue to closely monitor market situations to ensure that the valuation remains appropriate. The Manager will provide resources and updates where necessary to provide informed guidance for investors during this continuing environment.

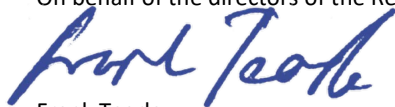
Property Valuation

The impact of whether the COVID-19 pandemic has had or may have on the property valuation has been considered based on known information. This consideration extends to the nature of the tenants and services offered. Because rental relief has been requested from only one tenant occupying 3.9% of the net lettable area during the half-year ended 31 December 2020, the impact on rental income has been negligible and as at 31 December 2020, there were no rental relief obligations or outstanding rents receivable. Also noted is that since the date of the independent valuation on 25 July 2019, the occupancy rate has improved. Other than addressed in specific notes, there does not appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may have an unfavourable impact as at reporting date, or subsequently as a result of the COVID-19 pandemic.

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 3.

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



Frank Tearle
Director

10_ March 2021

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 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Dated at Sydney on the 10th of March 2021



ESV Business Advice and Accounting



Tim Valtwies
Partner

**Statement of Profit or Loss and Other Comprehensive Income for the half-year ended
31 December 2020**

	Notes	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
<u>Income</u>			
Rental and other property income		2,063,837	2,020,924
Straight-line rental income		53,259	23,767
Interest income		641	4,507
Unrealised fair value (loss)/gain on investment property	7	(13,282)	138,306
Total income		2,104,455	2,187,504
<u>Expenses</u>			
Finance costs		373,409	514,983
Administration expenses	5	194,789	193,459
Audit fees		6,370	6,960
Professional fees		16,863	32,869
Insurance expenses		30,931	19,381
Rental property expenses		488,329	446,721
Total expenses		1,110,691	1,214,373
Net income attributable to unitholders		993,764	973,131
Net income for the period		993,764	973,131
Other comprehensive income		-	-
Total comprehensive income attributable to unitholders		993,764	973,131

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

Statement of Financial Position as at 31 December 2020

	Notes	31 December 2020 \$	30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents		799,148	842,243
Trade receivables		380	15,152
Prepayments		77,250	17,295
Total current assets		876,778	874,690
Non-current assets			
Investment property	7	48,077,246	48,043,871
Total non-current assets		48,077,246	48,043,871
Total assets		48,954,024	48,918,561
Liabilities			
Current liabilities			
Trade and other payables	4, 8	907,343	856,994
Interest bearing liabilities	9	25,935,532	-
Total current liabilities		26,842,875	856,994
Non-current liabilities			
Interest bearing liabilities	4, 9	-	25,933,384
Total non-current liabilities		-	25,933,384
Total liabilities (excluding net assets attributable to unitholders)		26,842,875	26,790,378
Net assets attributable to unitholders		22,111,149	22,128,183

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 2020**

	Notes	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
Opening balance		22,128,183	22,068,194
Units issued during the period		-	-
Total comprehensive income		993,764	973,131
Redemptions for the period		-	-
Distributions for the period	11	<u>(1,010,798)</u>	<u>(1,008,035)</u>
Net assets attributable to unitholders	10	<u>22,111,149</u>	<u>22,033,290</u>

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 2020

	Notes	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
Cash flows from operating activities			
Rent received		2,289,380	2,230,915
Interest received		641	4,507
Finance costs paid		(369,258)	(249,645)
Payments to suppliers		(954,040)	(1,121,300)
Net cash provided by operating activities		<u>966,723</u>	<u>864,477</u>
Cash flows from investing activities			
Payments of capital expenditures		(6,739)	(172,561)
Net cash used in investing activities		<u>(6,739)</u>	<u>(172,561)</u>
Cash flows from financing activities			
Proceeds from loans		-	25,930,000
Payment of loans		-	(25,860,000)
Distributions paid to unitholders		(1,003,079)	(1,003,346)
Net cash used in financing activities		<u>(1,003,079)</u>	<u>(933,346)</u>
Net decrease in cash and cash equivalents		(43,095)	(241,430)
Cash and cash equivalents at the beginning of the half-year		<u>842,243</u>	<u>953,750</u>
Cash and cash equivalents at the end of the half-year		<u>799,148</u>	<u>712,320</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 16, Governor Macquarie Tower, 1 Farrer Place, 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 2020.

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

The Fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current period.

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 2020 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. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020.

(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.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(c) Going concern basis

As at 31 December 2020 the Fund is in a net deficit position of \$25,966,097 as a result of classifying the loan with ING as a current liability due to it maturing on 16 September 2021.

In accordance with the Constitution of the Fund and the Product Disclosure Statement dated 14 June 2017, a liquidity event will be provided to unitholders prior to 4 August 2021 to either realise their investment and so wind up the Fund or extend the term of the Fund.

Notwithstanding the current deficit position and the liquidity event, the interim financial report of the Fund is prepared on a going concern basis as management contemplates 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.

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 in the Statement of Financial Position.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(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.

(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 gains or losses. 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.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(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.

(m) Derivative Financial Instruments

Under the terms of the loan with ING Bank, the Fund was not required to enter into an interest rate swap arrangement.

(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 Australian Taxation Office ("ATO"), 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 ATO is recognised as a receivable or payable in 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 ATO authority is classified as operating cash flow.

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

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.

Notes to the Financial Statements

4. Re-statement

	Original 30 June 2020 balance \$	Re-statement	Revised 30 June 2020 balance \$
Re-statement of prior period balance	\$	Re-statement	\$
Current liabilities			
Trade and other payables	673,367	183,627	856,994
Non-current liabilities			
Interest bearing liabilities	26,117,011	- 183,627	25,933,384

On review of the comparative 30 June 2020 account balances, it was noted that the accrued interest expense as at 30 June 2020 was included in interest bearing liabilities rather than being classified as trade and other payables. As a result, the 30 June 2020 account balances have been re-stated in the Statement of Financial Position to re-classify the accrued interest expense from interest bearing liabilities to borrowing costs payable. Accordingly, the interest-bearing liabilities have been reduced by \$183,627 to \$25,933,384 and the trade and other payables balance has been increased by \$183,627 to \$856,994. This re-statement does not have any impact on the 30 June 2020 Statement of Profit or Loss and Other Comprehensive Income.

Note 8 and Note 9 have also been updated to reflect the above re-statement.

5. Administration Expenses

	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
Management fees	131,668	131,456
Responsible entity fees	35,020	35,020
Registry fees	8,841	7,729
Accounting and tax fees	11,270	11,270
Custody fees	7,990	7,984
Total for the half-year	194,789	193,459

Notes to the Financial Statements

6. Operating Income

	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
Rental and other property income	2,063,837	2,020,924
Interest income	641	4,507
Administration fees	(194,789)	(193,459)
Audit and professional fees	(23,233)	(39,829)
Insurance expenses	(30,931)	(19,381)
Rental property expenses	(488,329)	(446,721)
Operating income before interest	1,327,196	1,326,041
Interest on loan facility	(373,409)	(444,332)
Operating income after interest	953,787	881,709

7. Investment Property

	31 December 2020 \$	30 June 2020 \$
Opening balance	48,043,871	47,560,663
Unrealised fair value (loss)/gain on investment property	(13,282)	89,981
Capital improvements	6,739	277,156
Deferred lease asset	53,259	94,362
Leasing fees	(13,341)	21,709
Closing balance	48,077,246	48,043,871

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 2020, 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.

Since the last valuation was obtained, there has been an improvement in the occupancy rate and as at 31 December 2020, occupancy rate was 96% (in the valuation on 25 July 2019 the occupancy rate was 87%). The current weighted average lease expiry ("WALE") by income is 3.8 years.

Only one tenant has requested rental assistance as a result of COVID-19 and this tenant represents only 3.9% of the total net lettable area. However, following recent lease negotiations, the rental relief for this tenant has now been resolved and as at 31 December 2020, all outstanding rental relief obligations have been terminated. Therefore, in the absence of any recent COVID-19 impacted sales evidence and the low occupancy rate, as recommended by the Manager, the directors have not re-valued the Property on the basis that the current valuation for the Property remains supportable and in line with Valuation Policy.

Notes to the Financial Statements

8. Trade and Other Payables

	31 December 2020	30 June 2020
	\$	\$
Distributions payable	505,091	498,094
Accrued charges	113,711	72,041
Borrowing costs payable	185,631	183,627
GST and withholding tax payable	67,998	72,708
Income received in advance	34,912	30,524
Closing balance	907,343	856,994

9. Interest Bearing Liability

	31 December 2020	30 June 2020
	\$	\$
Current		
Interest bearing liability	25,935,532	-
Non-current		
Interest bearing liability	-	25,933,384
Closing balance	25,935,532	25,933,384

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 2020. A line fee of 1.00% of the undrawn Tranche B loan amount is charged quarterly and automatically capitalised to the loan. See Note 15.

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

10. Net Assets Attributable to Unitholders

The following table shows the changes in net assets attributable to unitholders for the half-year ended 31 December 2020.

	31 December 2020		31 December 2019	
	No. of Units	\$	No. of Units	\$
Opening balance	25,063,915	22,128,183	25,063,915	22,068,194
Applications for units by unitholders	-	-	-	-
Redemptions of units by unitholders	-	-	-	-
Distributions to unitholders	-	(1,010,798)	-	(1,008,035)
Total comprehensive income	-	993,764	-	973,131
Closing balance	25,063,915	22,111,149	25,063,915	22,033,290

The Net Tangible Assets ("NTA") per Unit as at 31 December 2020 is \$0.8822 (31 December 2019: \$0.8791).

Notes to the Financial Statements

11. 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 2020		31 December 2019	
	Cents per unit	\$	Cents per unit	\$
Distributions paid during the period	2.0164	505,399	2.0109	504,017
Distributions payable	2.0164	505,399	2.0109	504,018
Closing balance	4.0328	1,010,798	4.0218	1,008,035

12. 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 2020 are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

Holding of units by the Responsible Entity, key management personnel and their associated entities as at 31 December 2020 and 31 December 2019 are as follows:

	31 December 2020		
	Unit class	Units held	% of the class
Frank Tearle	Ordinary	150,000	0.60%
	31 December 2019		
	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 2020 (half-year ended 31 December 2019: \$nil).

Responsible entity fees

Responsible Entity fees of \$35,020 plus GST were incurred for the half-year ended 31 December 2020 (half-year ended 31 December 2019: \$35,020), and \$5,837 plus GST was payable to One Managed Investment Funds Limited at the end of the period (half-year ended 31 December 2019: \$5,837). Refer to note 5.

Registry fees

Registry fees of \$8,841 plus GST were incurred for the half-year ended 31 December 2020 (half-year ended 31 December 2019: \$7,729), and \$1,980 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 2019: \$1,916). Refer to note 5.

Notes to the Financial Statements

12. Related Party Transactions (continued)*Custody fees*

Custody fees of \$7,990 plus GST were incurred for the half-year ended 31 December 2020 (half-year ended 31 December 2019: \$7,984), 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 2019: \$1,327). Refer to note 5.

Accounting and administration fees

Accounting and administration fees of \$11,270 plus GST were incurred for the half-year ended 31 December 2020 (half-year ended 31 December 2019: \$11,270), 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 2019: \$6,635). Refer to note 5.

There were no other fees paid / payable to the Responsible Entity for the half-year ended 31 December 2020.

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 2020.

(b) Transactions with Manager and its associated entities

The key management personnel of the Manager for the half-year ended 31 December 2020 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 2020 and 31 December 2019 are as follows:

31 December 2020			
	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 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%

No fees or remuneration was paid directly to the key management personnel from the Fund for the half-year ended 31 December 2020 (half-year ended 31 December 2019: \$nil).

Notes to the Financial Statements

12. Related Party Transactions (continued)*Investment management fees*

Investment management fees of \$131,668 plus GST were incurred for the half-year ended 31 December 2020 (half-year ended 31 December 2019: \$131,456), and \$21,908 plus GST (half-year ended 31 December 2019: \$21,908) was payable to the Manager, at the end of the period. Refer to note 5.

There were no other fees paid / payable to the Manager for the half-year ended 31 December 2020.

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 2020 and there were no material contracts involving key management personnel's interests existing at the end of the half-year ended 31 December 2020.

13. 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 2020				
<i>Assets</i>				
Investment property	-	-	48,077,246	48,077,246
Total assets	-	-	48,077,246	48,077,246
<i>Liabilities</i>	-	-	-	-
Total liabilities	-	-	-	-
Year ended 30 June 2020				
<i>Assets</i>				
Investment property	-	-	48,043,871	48,043,871
Total assets	-	-	48,043,871	48,043,871
<i>Liabilities</i>	-	-	-	-
Total liabilities	-	-	-	-

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

Notes to the Financial Statements

13. Fair value measurement (continued)

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.

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.

The fair value as per independent valuation is adjusted for any capital expenditure, straight lining of rent and leasing fees adjustments.

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 2020	Year ended 30 June 2020
	\$	\$
Opening balance	48,043,871	47,560,663
Unrealised fair value (loss)/gain on investment property	(13,282)	89,981
Capital improvements	6,739	277,156
Deferred lease asset	53,259	94,362
Leasing fees	(13,341)	21,709
	48,077,246	48,043,871

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

Notes to the Financial Statements

14. Subsequent Events

There has not been any matter or circumstances occurring subsequent to the half-year ended 31 December 2020 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.

15. Commitments and Contingencies

In order to comply with Government Legislation in Queensland, a fire engineer ("Fire Engineer") has been appointed to inspect the Fund's 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 and the Fire Engineer has met with Queensland Fire and Emergency Services to present recommended remediation measures to resolve the cladding risk at the Property. The scope for ACP compliance and remediation is now being determined. 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 for this expense.

There were no other contingent assets and liabilities or commitments as at 31 December 2020.

Directors' Declaration

The directors of the Responsible Entity declare that:

- the attached financial statements and notes set out on pages 4 to 19 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 2020 and of its performance for the half-year ended 31 December 2020; 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

10March 2021

INDEPENDENT REVIEW REPORT TO THE UNITHOLDERS OF 601 CORONATION DRIVE FUND

Report on the Half-Year Financial Report

Conclusion

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 2020, 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.

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 2020 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities* section of our report. We are independent of the Fund in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

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

Responsibilities of the Directors for the 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 control 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.

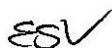
INDEPENDENT REVIEW REPORT TO THE UNITHOLDERS OF 601 CORONATION DRIVE FUND

Auditor's Responsibilities

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report does not give a true and fair view of the financial position of the Fund as at 31 December 2020 and of its financial performance and its cash flows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

Dated at Sydney on the 10th of March 2021



ESV Business Advice and Accounting



Tim Valtwies
Partner