

**Diversified Property Fund (formerly CPF Diversified Property Fund)**

**ARSN 610 941 654**

Annual report for the financial year ended 30 June 2025

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## Diversified Property Fund (formerly CPF Diversified Property Fund)

### 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 Diversified Property Fund (ARSN 610 941 654) (formerly known as CPF Diversified Property Fund) (the "Fund"), submit their financial report of the Fund for the year ended 30 June 2025 (the "reporting period").

### 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 who held office during the reporting period and up to the date of this report are:

<b>Name</b>	<b>Title</b>
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, constituted and domiciled in Australia.

The principal activity of the Fund is to invest into a range of property-based assets to generate regular income returns for investors and provide potential for longer term capital growth.

The Fund did not have any employees during the year.

### Distributions

Total distributions to unitholders for the financial year ended 30 June 2025 was \$nil (2024: \$463,432). Refer to Note 14.

### Value of Assets and Units Issued

The total value of the Fund's assets as at 30 June 2025 was \$47,745,841 (2024: \$50,523,786). The total number of units on issue as at 30 June 2025 was 28,964,501 (2024: 28,964,501).

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Directors' Report (continued)

#### Review of Operations

##### Results

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

	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$
Rental and other property income	4,336,808	4,730,388
<b>Operating income</b>	<b>4,336,808</b>	<b>4,730,388</b>
Rental property expenses	(995,274)	(1,058,273)
Administration expenses	(457,889)	(442,972)
Audit fees	(36,381)	(47,182)
Professional fees	(30,341)	(187,481)
Insurance expenses	(60,188)	(60,348)
<b>Operating expenses</b>	<b>(1,580,073)</b>	<b>(1,796,256)</b>
<b>Earnings before interest and tax</b>	<b>2,756,735</b>	<b>2,934,132</b>
Interest income	74,776	155,898
Distribution income	-	3,379
Finance costs	(1,780,725)	(1,799,835)
<b>Net interest expense</b>	<b>(1,705,949)</b>	<b>(1,640,558)</b>
<b>Operating earnings attributable to unitholders</b>	<b>1,050,786</b>	<b>1,293,574</b>
<b>Non-operating items</b>		
Unrealised fair value loss on investment property	(527,621)	(7,912,487)
Provision for default interest	-	(6,607,872)
Provision for impairment expenses	-	(1,100,000)
Reversal of default interest provision	8,879,593	-
<b>Total non-operating items</b>	<b>8,351,972</b>	<b>(15,620,359)</b>
<b>Net income/(loss) attributable to unitholders</b>	<b>9,402,758</b>	<b>(14,326,785)</b>

The inclusion of operating earnings as a measure of the Fund's profitability provides financial information that is used internally for evaluating performance, making strategic decisions and determining distributions during the year.

**Directors' Report (continued)**

***Going Concern***

While the directors have concerns about the ongoing viability of the Fund, the financial statements are prepared on a going concern basis taking into account the following:

1. The ability of the Fund to continue as a going concern depends on the manner in which the litigation (referred to below) is resolved, prudent capital and income management, including ensuring an appropriate rental income stream from its property at 601 Coronation Drive (601CD), and maintaining the Fund's borrowing capacity.

If the Responsible Entity is unsuccessful in any of these matters including if the proceedings are determined against the Fund and the Court orders the Fund to pay damages to the Vendor, or if an event of default is triggered under the ING Facility and ING demands the immediate repayment of the facility, then the Fund may be forced to sell 601CD and thereafter terminate and wind-up the Fund.

2. Capital Property Funds Pty Limited (ACN 162 323 506) (the "Former Manager") recommended the Fund acquire from Raptis Properties Pty Ltd (the "Vendor") an office building located at 63 Pirie Street, Adelaide, South Australia (63PS). The Fund was unable to complete the purchase of 63PS in February 2023. While the Responsible Entity and the Former Manager initially sought to negotiate with the Vendor to acquire the Property on deferred settlement terms. Those negotiations concluded without success and on 5 July 2024, the Vendor terminated the 63PS contract.

**(Litigation)** In March 2023 the Vendor commenced proceedings in South Australia against the Fund in respect of the failed settlement of the 63PS acquisition (the "March 2023 proceedings"). In October 2024 the Responsible Entity obtained judicial advice that it was justified in defending the proceedings commenced by the Vendor and to proceed against other relevant parties, including the Former Manager. On 2 July 2025 the Vendor commenced a second action against the Fund, claiming liquidated damages in the amount of \$18,594,703 made up of difference in sale price achieved on the resale of the building, expenses incurred on the resale and interest debt. The parties had agreed, in principle, to merge the March 2023 proceedings. These proceedings are or will be defended (inter alia) on the basis that the Vendor is not entitled to recover any damages from the assets of the Fund, including but not limited to, liquidated damages, contractual interest, and default interest. To the extent this is not accepted, the basis is that others, including the Former Manager and Advisers, are liable.

On 28 March 2024, Avanti Nominees Pty Ltd ("Avanti") (the largest unitholder in the Fund) filed an application, seeking to be joined as a respondent, with leave to file a defence to the Vendor's claim and a cross claim against the Fund and or the Responsible Entity. This application has not been considered by the South Australian Court as at the date of these financial statements, and accordingly Avanti is not considered to be a party to the litigation.

This litigation is expected to be complex, lengthy and, as with any proceedings, the outcome is uncertain. All Parties to the litigation agreed on 3 September 2025 to a mediation to be held on 24 October 2025.

3. The lease of a major tenant at 601CD expired during June 2025 and accordingly Archerfield Investment Management Pty Ltd (the "Manager") has been working to secure suitable replacement tenants. The Manager was successful in leasing the whole of level 2 to a new tenant for a term in excess of 5 years. The Manager remains focussed on securing sustainable rental income for the Fund and working with the Fund's lender to ensure required incentives, fit-out or other pre-leasing conditions can be met to secure this income, however there is no certainty of this.

**Directors' Report (continued)**

***Going Concern (continued)***

4. As at the reporting date, the Fund has a net current asset deficiency of \$25,309,151 (30 June 2024: \$34,711,909). This is due to the Fund's ING loan facility of \$25,860,885 being current, as it was due for repayment on 30 September 2025 at year-end. Subsequent to the year-end, on 4 September 2025, the ING loan facility was extended for an additional 2-years to 30 September 2027, thereby returning the Fund to a net current asset surplus.

There is no event of default subsisting under the Fund's current financing arrangements, nor was there any breach of loan covenants as at the reporting sign-off month of September 2025. In 2024, the \$1.1m deposit paid by the Fund in respect of the 63PS contract was fully impaired. If this deposit is returned to the Fund as part of the mediation, this will have a positive impact.

Subject to the above, the Fund is able to meet its obligations as and when they fall due.

**Other Matters**

***Fees Paid To and Interests Held in the Fund by the Responsible Entity or its Associates***

Fees paid to the Responsible Entity and its associates during the year are disclosed in Note 16 to the financial statements.

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

No units were held by the Responsible Entity, key management personnel and their associated entities as at the end of the reporting period.

***Significant Changes in State of Affairs***

The Responsible Entity of the Fund was served with a Statement of Claim from the vendor of 63PS on 2 March 2023 (the "March 2023 proceedings"). The Fund had entered into a conditional contract to purchase 63PS for \$58.60 million. The Former Manager informed the Vendor the condition was satisfied and settlement was scheduled to occur in late February 2023. The Fund, however, was not able to settle the purchase. The Vendor served the Fund with a notice of settlement in respect of the property, requiring the purchase to be completed by 3 July 2024, and subsequently terminated the sale contract on 5 July 2024.

On 2 July 2025 the Vendor commenced a second action against the Fund, claiming liquidated damages in the amount of \$18,594,703 made up of difference in sale price achieved on the resale of the building, expenses incurred on the resale and interest debt. The parties had agreed, in principle, to merge the March 2023 proceedings and these proceedings however, before appropriate Court Orders could be made, the parties agreed to pursue mediation.

On 5 November 2024, Capital Property Funds Pty Limited (ACN 162 323 506) ceased acting as investment manager of the Fund and was replaced by Archerfield Investment Management Pty Ltd (ACN 679 786 728).

On 14 November 2024 OMIFL served cross-claims on each of the Former Manager, Mr Kerr and the Fund's lawyers. In March 2025, the Former Manager sought to have that cross-claim struck out, but eventually the parties agreed through consent orders that OMIFL should amend its pleadings. In July 2025 OMIFL served these amended cross-claims on each of the Former Manager, Mr Kerr and the Fund's lawyers. These parties have not formally responded to these revised pleadings as the parties have agreed to mediation.

In April 2025, the Former Manager raised concerns that, if it were successful in defending the cross-claims, neither the Fund nor OMIFL would be able to meet an adverse costs order. This matter was heard by the Court in South Australia in June 2025, and on 26 September 2025, the Court found in the Fund's favour and ordered neither the Former Manager nor Mr Kerr were entitled to an order for security for costs.

**Directors' Report (continued)**

***Significant Changes in State of Affairs (continued)***

In the opinion of the directors, other than as noted above, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year.

***Subsequent Events***

The ING loan facility which was due to mature on 30 September 2025, was extended on 4 September 2025 to a 2-year loan on terms acceptable to the Responsible Entity, including a requirement to repay \$285,885 to the lender by 31 March 2026 to ensure the LVR is below 55% from 31 March 2026.

On 2 July 2025 the Vendor commenced a second action against the Fund, claiming liquidated damages in the amount of \$18,594,703 made up of difference in sale price achieved on the resale of the building, expenses incurred on the resale and interest debt. The parties had agreed, in principle, to merge the March 2023 proceedings and these proceedings however, before appropriate Court Orders could be made, the parties agreed to pursue mediation.

Other than the above, there has been no matter or circumstance occurring subsequent to the year ended 30 June 2025 that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years

***Likely Developments***

Subject to the matters disclosed above, 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.

***Environmental Regulation and Performance***

Other than as disclosed elsewhere, the operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

***Indemnification of Directors, Officers and Auditors***

During or since the financial year, the Fund has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Fund or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Responsible Entity. In addition, the Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Fund.

***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 6.

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



Frank Tearle  
Executive Director  
30 September 2025



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As auditor for the audit of Diversified Property Fund for year ended 30 June 2025, 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 audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Sydney on the 30<sup>th</sup> of September 2025

A handwritten signature in black ink that reads 'ESV'.

**ESV Business advice and accounting**

A handwritten signature in black ink that reads 'Dongyan Yu'.

**Dongyan Yu**  
**Client Director**



## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2025

	Notes	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$
<b>Revenue</b>			
Rental and other property income	4	4,336,808	4,730,388
Interest income		74,776	155,898
Distribution income		-	3,379
Unrealised fair value loss on investment property	11	(527,621)	(7,912,487)
Reversal of default interest provision	8(b)	8,879,593	-
<b>Total revenue</b>		<b>12,763,556</b>	<b>(3,022,822)</b>
<b>Expenses</b>			
Finance costs	5	1,780,725	1,799,835
Administration expenses	6	457,889	442,972
Audit fees	9	36,381	47,182
Professional fees		30,341	187,481
Insurance expenses		60,188	60,348
Rental property expenses	7	995,274	1,058,273
Provision for default interest		-	6,607,872
Provision for impairment expenses	12	-	1,100,000
<b>Total expenses</b>		<b>3,360,798</b>	<b>11,303,963</b>
<b>Net income/(loss) attributable to unitholders</b>		<b>9,402,758</b>	<b>(14,326,785)</b>
<b>Net income/(loss) for the year</b>		<b>9,402,758</b>	<b>(14,326,785)</b>
<b>Other comprehensive income/(loss)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) attributable to unitholders</b>		<b>9,402,758</b>	<b>(14,326,785)</b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Statement of Financial Position as at 30 June 2025

	Notes	30 June 2025 \$	30 June 2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	18(a)	1,156,600	3,984,379
Trade and other receivables		61,662	22,639
Prepayments		27,579	16,768
<b>Total current assets</b>		<b>1,245,841</b>	<b>4,023,786</b>
<b>Non-current assets</b>			
Investment property	11	46,500,000	46,500,000
<b>Total non-current assets</b>		<b>46,500,000</b>	<b>46,500,000</b>
<b>Total assets</b>		<b>47,745,841</b>	<b>50,523,786</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	694,107	1,370,549
Interest bearing liabilities	19	25,860,885	28,485,553
Provisions for default interest	8(a)	-	8,879,593
<b>Total current liabilities</b>		<b>26,554,992</b>	<b>38,735,695</b>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>26,554,992</b>	<b>38,735,695</b>
<b>Net assets attributable to unitholders</b>	14	<b>21,190,849</b>	<b>11,788,091</b>

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

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Statement of Changes in Net Assets Attributable to Unitholders for the year ended 30 June 2025

		Year ended 30 June 2025	Year ended 30 June 2024
	Notes	\$	\$
Opening balance		11,788,091	26,578,308
Total comprehensive income/(loss)		9,402,758	(14,326,785)
Distributions for the year	15	-	(463,432)
<b>Net assets attributable to unitholders</b>	14	<b>21,190,849</b>	11,788,091

*The above Statement of Changes in Net Assets Attributable to Unitholders should be read in conjunction with the accompanying notes.*

**Diversified Property Fund (formerly CPF Diversified Property Fund)**

**Statement of Cash Flows for the year ended 30 June 2025**

	Notes	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$
<b>Cash flows from operating activities</b>			
Rent received		4,669,706	5,378,604
Interest received		74,776	155,899
Distributions received		-	8,092
Finance costs paid		(1,827,079)	(1,755,605)
Payments to suppliers		(2,018,662)	(2,280,930)
<b>Net cash provided by operating activities</b>	18(b)	<b>898,741</b>	<b>1,506,060</b>
<b>Cash flows from investing activities</b>			
Proceeds from redemption of other investments		-	246,295
Payments for capital improvements		(638,088)	(961,180)
<b>Net cash used in investing activities</b>		<b>(638,088)</b>	<b>(714,885)</b>
<b>Cash flows from financing activities</b>			
Payment of loans		(2,625,000)	-
Distributions paid to unitholders		(463,432)	(577,378)
<b>Net cash used in financing activities</b>		<b>(3,088,432)</b>	<b>(577,378)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,827,779)</b>	<b>213,797</b>
Cash and cash equivalents at the beginning of the year		3,984,379	3,770,582
<b>Cash and cash equivalents at the end of the year</b>	18(a)	<b>1,156,600</b>	<b>3,984,379</b>

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

## Notes to the Financial Statements

### 1. General Information

This financial report covers Diversified Property Fund (ARSN 610 941 654) (formerly known as CPF Diversified Property Fund) (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.

On 5 November 2024, Capital Property Funds Pty Limited (ACN 162 323 506) (the "Former Manager") ceased acting as investment manager of the Fund and was replaced by Archerfield Investment Management Pty Ltd (ACN 679 786 728) (the "Manager"). Subsequently on 5 November 2024, the Fund changed its name from CPF Diversified Property Fund to Diversified Property Fund.

The financial statements cover the period 1 July 2024 to 30 June 2025 (the "reporting period"). The comparative information encompasses the period 1 July 2023 to 30 June 2024.

The financial statements were authorised for issue by the directors of the Responsible Entity on the date the Directors' Declaration was signed. The directors of the Responsible Entity have the power to amend and re-issue the financial statements.

### 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. Material Accounting Policies

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

#### (a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and Interpretations of the Australian Accounting Standards Board ("AASB"), the Fund's Constitution and the *Corporations Act 2001*.

Compliance with Australian Accounting Standards, as issued by the AASB, ensures that the financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

#### (b) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with the fund constitution.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and derivative financial instruments as disclosed in Note 3(l) below.

## Notes to the Financial Statements

### 3. Material Accounting Policies (continued)

#### (b) Basis of Preparation (continued)

##### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### (c) Going Concern

While the directors have concerns about the ongoing viability of the Fund, the financial statements are prepared on a going concern basis taking into account the following

1. The ability of the Fund to continue as a going concern depends on the manner in which the litigation (referred to below) is resolved, prudent capital and income management, including ensuring an appropriate rental income stream from its property at 601 Coronation Drive (601CD), and maintaining the Fund's borrowing capacity.

If the Responsible Entity is unsuccessful in any of these matters including if the proceedings are determined against the Fund and the Court orders the Fund to pay damages to the Vendor, or if an event of default is triggered under the ING Facility and ING demands the immediate repayment of the facility, then the Fund may be forced to sell 601CD and thereafter terminate and wind-up the Fund.

2. Capital Property Funds Pty Limited (ACN 162 323 506) (the "Former Manager") recommended the Fund acquire from Raptis Properties Pty Ltd (the "Vendor") an office building located at 63 Pirie Street, Adelaide, South Australia (63PS). The Fund was unable to complete the purchase of 63PS in February 2023. While the Responsible Entity and the Former Manager initially sought to negotiate with the Vendor to acquire the Property on deferred settlement terms. Those negotiations concluded without success and on 5 July 2024, the Vendor terminated the 63PS contract.

**(Litigation)** In March 2023 the Vendor commenced proceedings in South Australia against the Fund in respect of the failed settlement of the 63PS acquisition (the "March 2023 proceedings"). In October 2024 the Responsible Entity obtained judicial advice that it was justified in defending the proceedings commenced by the Vendor and to proceed against other relevant parties, including the Former Manager. On 2 July 2025 the Vendor commenced a second action against the Fund, claiming liquidated damages in the amount of \$18,594,703 made up of difference in sale price achieved on the resale of the building, expenses incurred on the resale and interest debt. The parties had agreed, in principle, to merge the March 2023 proceedings. These proceedings are or will be defended (inter alia) on the basis that the Vendor is not entitled to recover any damages from the assets of the Fund, including but not limited to, liquidated damages, contractual interest, and default interest. To the extent this is not accepted, the basis is that others, including the Former Manager and Advisers, are liable.

On 28 March 2024, Avanti Nominees Pty Ltd ("Avanti") (the largest unitholder in the Fund) filed an application, seeking to be joined as a respondent, with leave to file a defence to the Vendor's claim and a cross claim against the Fund and or the Responsible Entity. This application has not been considered by the South Australian Court as at the date of these financial statements, and accordingly Avanti is not considered to be a party to the litigation.

This litigation is expected to be complex, lengthy and, as with any proceedings, the outcome is uncertain. All Parties to the litigation agreed on 3 September 2025 to a mediation to be held on 24 October 2025.

## Notes to the Financial Statements

### 3. Material Accounting Policies (continued)

#### (c) Going Concern (continued)

3. The lease of a major tenant at 601CD expired during June 2025 and accordingly Archerfield Investment Management Pty Ltd (the "Manager") has been working to secure suitable replacement tenants. The Manager was successful in leasing the whole of level 2 to a new tenant for a term in excess of 5 years. The Manager remains focussed on securing sustainable rental income for the Fund and working with the Fund's lender to ensure required incentives, fit-out or other pre-leasing conditions can be met to secure this income, however there is no certainty of this.
4. As at the reporting date, the Fund has a net current asset deficiency of \$25,309,151 (30 June 2024: \$34,711,909). This is due to the Fund's ING loan facility of \$25,860,885 being current, as it was due for repayment on 30 September 2025 at year-end. Subsequent to the year-end, on 4 September 2025, the ING loan facility was extended for an additional 2-years to 30 September 2027, thereby returning the Fund to a net current asset surplus.

There is no event of default subsisting under the Fund's current financing arrangements, nor was there any breach of loan covenants as at the reporting sign-off month of September 2025. In 2024, the \$1.1m deposit paid by the Fund in respect of the 63PS contract was fully impaired. If this deposit is returned to the Fund as part of the mediation, this will have a positive impact.

Subject to the above, the Fund is able to meet its obligations as and when they fall due.

#### (d) Revenue and Income Recognition

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, usually as a 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 the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

#### (f) Cash and Cash Equivalents

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

## Notes to the Financial Statements

### 3. Material Accounting Policies (continued)

#### (g) *Taxation*

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

Unitholders are entitled to all income of the Fund. 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 (PDS) and applicable tax legislation, to unitholders who are presently entitled to the income under the unitholders. 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 Directors' 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 a credit loss allowance (provision for impairment of trade receivables) 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 the credit loss allowance account are recognised in the Statement of Profit or Loss and Other Comprehensive Income, either as gain or loss. When a receivable for which an allowance had been recognised becomes uncollectible in a subsequent year, it is written off against the credit loss 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 year.

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. Material Accounting Policies (continued)

#### (l) *Investment Properties*

The Property principally comprises freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Fund. The 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 the 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 the Statement of Profit or Loss and Other Comprehensive Income in the year in which the property is derecognised.

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

Any gains or losses arising from the changes in the fair value of investment properties are included in the Statement of Profit or Loss and Other Comprehensive Income in the reporting year 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 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 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 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 taxation 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.

## Notes to the Financial Statements

### 3. Material Accounting Policies (continued)

#### (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 estimate - fair value of the Property*

The Fund carries the 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 Responsible Entity will ensure that the Fund's assets will be valued on a regular basis, at market value, in compliance with the Responsible Entity's written valuation policy. It will also be re-valued 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 year, the directors of the Responsible Entity update their assessment of the fair value of the Property, taking into account a recommendation from the Manager and the most recent independent valuation. The key assumptions used in this determination are set out in Note 3(l). If there are any material changes in the key assumptions due to changes in economic conditions, the fair value of the Property may differ and may need to be re-estimated.

##### *Fair value measurement hierarchy*

The fund is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

##### *Provision for Default Interest*

In accordance with the sale contract for 63 Pirie St, Default Interest was the amount of potential liability arising from failure to pay the contracted purchase price of 63 Pirie Street, Adelaide. It is calculated at the rate of last published BankSA Variable Business Loan Rate, plus 2.00% beginning from the original date of settlement of 24 February 2023. See Note 8.

## Notes to the Financial Statements

### 3. Material Accounting Policies (continued)

#### **(p) Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the fund has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

#### *Impairment of financial assets*

The fund recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the fund's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

#### **(q) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## Notes to the Financial Statements

### 3. Material Accounting Policies (continued)

#### (q) Fair value measurement (continued)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

#### (r) Net assets attributable to unitholders

The units can be put back to the Fund at any time for cash based on the redemption price in accordance with the provisions of the Funds deed. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Fund.

#### (s) 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.

#### (t) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the fund for the annual reporting period ended 30 June 2025. The fund's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the fund, are set out below.

##### *AASB 18 Presentation and Disclosure in Financial Statements*

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The fund will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 4. Rental and Other Property Income

	Year ended 30 June 2025	Year ended 30 June 2024
	\$	\$
Rent received	4,712,867	4,354,815
Rental abatement	(707,436)	(633,362)
Outgoings received	290,776	361,875
Straight-line rental income	40,601	23,457
Sundry income	-	623,603
<b>Total</b>	<b>4,336,808</b>	<b>4,730,388</b>

#### *Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	Year ended 30 June 2025	Year ended 30 June 2024
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred over time	4,336,808	4,730,388
<b>Total</b>	<b>4,336,808</b>	<b>4,730,388</b>

#### 5. Finance Costs

	Year ended 30 June 2025	Year ended 30 June 2024
	\$	\$
Interest on borrowings	1,780,725	1,799,835
<b>Total</b>	<b>1,780,725</b>	<b>1,799,835</b>

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 6. Administration Expenses

	Year ended 30 June 2025	Year ended 30 June 2024
	\$	\$
Management fees	270,505	294,347
Responsible entity fees	84,952	81,842
Registry fees	49,043	16,390
Accounting and tax fees	29,947	29,680
Custody fees	19,307	18,621
ASIC and APIR fees	1,969	2,092
Other administration expenses	2,166	-
<b>Total</b>	<b>457,889</b>	<b>442,972</b>

#### 7. Rental Property Expenses

	Year ended 30 June 2025	Year ended 30 June 2024
	\$	\$
Property management fees	68,392	46,603
Energy fees	203,186	167,602
Cleaning	82,016	97,815
Land tax	126,750	128,992
Repairs and maintenance	92,027	104,180
Council rates	73,047	72,236
Water rates and charges	52,029	58,651
Fire levy	32,044	32,036
Fire and safety	36,889	39,641
Lift maintenance	18,097	34,515
Facility management fee	-	18,725
Security fee	15,655	10,028
Legal fee	56,508	36,091
Air conditioning	53,176	88,222
Leasing fee	61,123	63,220
Other property expenses	24,335	59,716
<b>Total</b>	<b>995,274</b>	<b>1,058,273</b>

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 8. Provisions for Default Interest

##### (a) Amounts recognised in balance sheet

	30 June 2025	30 June 2024
	\$	\$
Provisions for default interest	-	8,879,593

The amount as at 30 June 2024 was the potential liability arising from failure to pay the contracted purchase price of 63 Pirie Street, Adelaide. It was calculated at the rate of last published BankSA Variable Business Loan Rate, plus 2.00% beginning from the original date of settlement of 24 February 2023 to 5 July 2024 when Raptis served the notice of termination to OMIFL.

Given OMIFL's defence in the ongoing Litigation is that the Fund has no liability in respect of the 63PS Contract, the provision for default interest of \$8,879,593 has been reversed in the year-ended 30 June 2025. The amount remains included as a Contingent Liability within the Fund's Financial Report. See Note 3(c) and Note 21 for more details.

##### (b) Amount recognised in profit and loss

	30 June 2025	30 June 2024
	\$	\$
(Reversal)/provision of default interest	(8,879,593)	6,607,872

As referred to in Note 8(a), during the year, \$8,879,593 of provisions for default interest has been reversed as OMIFL do not consider the Fund to be liable for this amount in respect of the 63PS Contract. See Note 3(c) and Note 21 for more details.

#### 9. Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by the auditors for the Fund:

	Year ended 30 June 2025	Year ended 30 June 2024
	\$	\$
Audit services - ESV Business Advice and Accounting	28,011	28,439
Other assurance services – BDO, EY (compliance plan) and other firms	8,370	18,743
<b>Total</b>	<b>36,381</b>	<b>47,182</b>

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 10. Operating Leases

The Fund leases out its investment property. The Fund has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the asset.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	30 June 2025 \$	30 June 2024 \$
Not later than one year	2,529,993	3,718,378
Later than one year, but not later than five years	9,626,450	9,975,739
Later than five years	77,146	2,257,850
<b>Total</b>	<b>12,233,589</b>	<b>15,951,967</b>

#### 11. Investment Property

	30 June 2025 \$	30 June 2024 \$
<b>601 Coronation Drive</b>		
Opening balance	46,500,000	53,000,000
Unrealised fair value loss on investment property	(527,621)	(7,912,487)
Capital improvements	331,083	1,284,343
Deferred lease asset	40,601	23,457
Leasing fees	155,937	104,687
<b>Total</b>	<b>46,500,000</b>	<b>46,500,000</b>

The Responsible Entity has adopted the same prior year fair value for the 601 Coronation Drive property of \$46,500,000 as at 30 June 2025, prepared by an independent valuer, Colliers, as at 17 July 2024. This valuation had regard to relevant sales and rental data of comparable properties as well as using the capitalisation approach and discounted cash flow, prevailing economic and market conditions including increasing interest rates and inflation. The Directors have adopted a passing capitalisation rate of 7.77% (30 June 2024: 7.77%).

As at 30 June 2025, the occupancy rate was 82.35% (2024: 85.6%) and the current weighted average lease expiry ("WALE") by income was 5.1 years (2024: 4.6 years).

While the Responsible Entity has adopted a fair value of \$46,500,000, should the circumstances referred to in the going concern note eventuate there remains a risk that the Fund may not be able to sell the property at this price if it is required to sell it in a forced or distressed scenario.



## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 12. Other Assets

	30 June 2025	30 June 2024
	\$	\$
<b>63 Pirie St</b>		
Purchase price	-	1,100,000
Provision of impairment 63 Pirie St	-	(1,100,000)
<b>Total</b>	<b>-</b>	<b>-</b>

The deposit of \$1.1m for the acquisition of a property located at 63 Pirie Street, Adelaide, South Australia 5034, has been fully impaired following termination of the contract on 5 July 2024.

The impairment of the \$1.1m deposit will be reviewed, following the outcome of the mediation proposed to take place in October 2025.

#### 13. Trade and Other Payables

	30 June 2025	30 June 2024
	\$	\$
Distributions payable	-	463,079
GST and withholding tax payable	51,469	30,273
Income received in advance	191	-
Borrowing costs payable	411,853	448,456
Other payables	230,594	428,741
<b>Total</b>	<b>694,107</b>	<b>1,370,549</b>

#### 14. Net Assets Attributable to Unitholders

##### (a) Movements in Units

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

	Year ended 30 June 2025 No of Units	Year ended 30 June 2025 \$	Year ended 30 June 2024 No of Units	Year ended 30 June 2024 \$
Opening balance	28,964,501	11,788,091	28,964,501	26,578,308
Applications for units by unitholders	-	-	-	-
Redemptions of units by unitholders	-	-	-	-
Distributions paid to unitholders	-	-	-	(463,432)
Total comprehensive income/(loss)	-	9,402,758	-	(14,326,785)
Closing balance	28,964,501	21,190,849	28,964,501	11,788,091

The Net Tangible Assets per unit as at 30 June 2025 was \$0.7316 (2024: \$0.4070).

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 14. Net Assets Attributable to Unitholders (continued)

##### (b) Capital Risk Management

The Fund aims to invest to meet its investment objectives while maintaining sufficient liquidity to meet its commitments. The Responsible Entity regularly reviews the performance of the Fund, including asset allocation strategies, investment and operational management strategies, investment opportunities, performance review and risk management.

The Fund monitors capital through the analysis of a number of financial ratios, including the gearing ratio. The gearing ratio indicates the extent to which the Fund's assets are funded by borrowings. It gives an indication of the potential risks the Fund faces in terms of its level of borrowings due to an increase in interest rates or a reduction in asset values.

	30 June 2025	30 June 2024
	\$	\$
Interest bearing liabilities	25,860,885	28,485,553
Total assets	47,745,841	50,523,786
Gearing ratio	54.16%	56.38%

The loan to market value of investment properties ratio ("LVR") as of 30 June 2025 is 55.61% (2024: 61.26%).

#### 15. Distributions Paid and Payables

Each unit represents a right to an individual share in the Fund in accordance with the Constitution.

	30 June 2025		30 June 2024	
	Cents per unit	\$	Cents per unit	\$
Distributions paid during the year	-	-	-	-
Distributions payable	-	-	1.6000	463,432
	-	-	1.6000	463,432

#### 16. 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 financial year 30 June 2025 are:

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

No units were held by the Responsible Entity, key management personnel and their associated entities as at 30 June 2025 and 30 June 2024.

No fees or remuneration were paid directly to the key management personnel from the Fund during the financial year ended 30 June 2025 (2024: \$nil).

## Notes to the Financial Statements

### 16. Related Party Transactions (continued)

#### (a) Transactions with Responsible Entity and its Associated Entities (continued)

##### *Responsible Entity fees*

Responsible Entity fees of \$84,952 were incurred for the year ended 30 June 2025 (2024: \$81,842) of which \$7,079 plus GST (2024: \$6,820) was payable to One Managed Investment Funds Limited at the end of the year. Refer to Note 6.

##### *Custody fees*

Custody fees of \$19,307 were incurred for the year ended 30 June 2025 (2024: \$18,621) of which \$1,609 plus GST (2024: \$1,550) was payable to the Responsible Entity at the end of the year. Refer to Note 6.

##### *Accounting and administration fees*

Accounting and administration fees of \$29,947 were incurred for the year ended 30 June 2025 (2024: \$29,680) of which \$7,981 plus GST (2024: \$8,360) was payable to Unity Fund Services Pty Limited, an associated entity of the Responsible Entity, at the end of the year. Refer to Note 6.

There were no other fees paid / payable to the Responsible Entity for the financial year ended 30 June 2025.

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 during the reporting year.

#### (b) Transactions with Former Manager and its Associated Entities

Effective 5 November 2024, the Former Manager ceased to be the investment manager of the Fund and has been replaced by Archerfield Investment Management Pty Ltd, which is not an associated entity of the Responsible Entity.

The key management personnel of the Former Manager for the period ended 4 November 2024 were:

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

Holding of units by the Former Manager, key management personnel and their associated entities as at 4 November 2024 and 30 June 2024 were as follows:

Unitholder	4 November 2024		
	Unit class	Units held	% of the class
Andrew Kerr	Ordinary	131,829	0.46%
Joe Christie	Ordinary	37,167	0.13%
		168,996	0.59%

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 16. Related Party Transactions (continued)

##### (b) Transactions with Former Manager and its Associated Entities (continued)

Unitholder	30 June 2024		% of the class
	Unit class	Units held	
Andrew Kerr	Ordinary	131,829	0.46%
Joe Christie	Ordinary	37,167	0.13%
		168,996	0.59%

No fees or remuneration were paid directly to the key management personnel from the Fund during the financial year ended 30 June 2025 (2024: \$nil).

##### *Investment management fees*

Investment management fees of \$91,217 plus GST were incurred to the Former Manager for the year ended 30 June 2025 (2024: \$294,347) of which \$115,508 plus GST (2024: \$24,292) was potentially payable to the Former Manager at the end of the year. This amount may be reviewed at the mediation scheduled to occur in October 2025. See Note 6.

There were no other fees paid / payable to the Former Manager for the financial year ended 30 June 2025.

Apart from those details disclosed in this note, no key management personnel of the Former Manager have entered into a material contract with the Fund during the financial period and there were no material contracts involving key management personnel's interests existing at the end of the reporting year.

#### 17. Financial Risk Management and Fair Value Management

The most important types of financial risk to which the Fund is exposed are market risk, credit risk and liquidity risk. The exposure to each of these risks, as well as the Fund's policies and processes for managing these risks is described below.

##### (a) *Market Risk*

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and other price risk. The Fund's strategy on the management of market risk is driven by the Fund's investment objective. The Fund's market risk is managed as required by the Responsible Entity in accordance with the investment guidelines outlined in the Fund's Constitution and the PDS.

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 17. Financial Risk Management and Fair Value Management (continued)

##### (a) Market Risk (continued)

###### Cash flow and fair value interest rate risk

The Fund's cash and cash equivalents and floating rate borrowings expose it to a risk of change in the fair value or future cash flows due to changes in interest rates.

The Fund's exposure to interest rate risk at reporting date, including its sensitivity to changes in market interest rates that were reasonably possible, is as follows:

#### 30 June 2025

	Floating interest rate \$	Fixed interest rate \$	Total \$
<b>Financial assets</b>			
Cash and cash equivalents	1,156,600	-	1,156,600
<b>Financial liabilities</b>			
Financial liabilities	(25,860,885)	-	(25,860,885)
<b>Net exposure to interest rate risk</b>	<b>(24,704,285)</b>	<b>-</b>	<b>(24,704,285)</b>

#### 30 June 2024

	Floating interest rate \$	Fixed interest rate \$	Total \$
<b>Financial assets</b>			
Cash and cash equivalents	3,984,379	-	3,984,379
<b>Financial liabilities</b>			
Interest bearing liabilities	(28,485,553)	-	(28,485,553)
<b>Net exposure to interest rate risk</b>	<b>(24,501,174)</b>	<b>-</b>	<b>(24,501,174)</b>

Sensitivity of profit or loss to movements in market interest rates for financial instruments with interest rate risk:

	30 June 2025 \$ Increase/(decrease)	30 June 2024 \$ Increase/(decrease)
Market interest rate increased by 100 basis points	247,043	245,012
Market interest rate decreased by 100 basis points	(247,043)	(245,012)

Notes to the Financial Statements

17. Financial Risk Management and Fair Value Management (continued)

(b) 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 the reporting 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.

	30 June 2025 \$	30 June 2024 \$
Trade and other receivables	61,662	22,639
Cash at bank	1,156,600	3,984,379
<b>Maximum exposure to credit risk</b>	<b>1,218,262</b>	<b>4,007,018</b>

Credit risk is managed and the losses which could arise from default by ensuring that parties to contractual arrangements have the appropriate credit rating or do not show a history of defaults. Financial assets such as cash at bank are held with high credit quality financial institutions (rated equivalent A or higher by the major rating agencies). Tenants for the property are assessed for creditworthiness before commencing a lease, and if necessary rental guarantees are sought before a tenancy is approved. The Responsible Entity also performs a detailed review of both related and other parties before approving advancement of funds. This is performed to ensure that they will be able to meet interest and principal repayments.

All receivables are monitored by the Manager. If any amounts owing are overdue these are followed up and if necessary, allowances are made for debts that are doubtful.

At the end of the reporting year, there are no issues with the credit quality of financial assets that are either past due or impaired, and all amounts are expected to be received in full.

(c) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Manager monitors the Fund's exposure to liquidity risk by ensuring that as required there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting year. The amounts in the table are the contractual undiscounted cash flows.

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 17. Financial Risk Management and Fair Value Management (continued)

##### (c) Liquidity Risk (continued)

At 30 June 2025

	Less than 12 months \$	1-2 years \$	2-5 years \$
Trade and other payables	694,107	-	-
Interest bearing liabilities	25,860,885	-	-
<b>Contractual cash outflows</b>	<b>26,554,992</b>	<b>-</b>	<b>-</b>

At 30 June 2024

	Less than 12 months \$	1-2 years \$	2-5 years \$
Trade and other payables	1,370,549	-	-
Interest bearing liabilities	28,485,553	-	-
<b>Contractual cash outflows</b>	<b>29,856,102</b>	<b>-</b>	<b>-</b>

##### (d) Fair Value Measurement

###### Fair value hierarchy

The following tables detail the Fund'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

Year ended 30 June 2025

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
Investment property	-	-	46,500,000	46,500,000
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>46,500,000</b>	<b>46,500,000</b>

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 17. Financial Risk Management and Fair Value Management (continued)

##### (d) Fair Value Measurement (continued)

Year ended 30 June 2024

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Investment property	-	-	46,500,000	46,500,000
Total assets	-	-	46,500,000	46,500,000

There were no transfers between levels during the reporting 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.

##### *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 the Property is fair value. The Property is re-valued at a minimum every 3 years based on the independent assessment by a member of the Australian Property Institute having recent experience in the location and category of the Property being valued. The valuation is 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, returns on investment and other market conditions.

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

After an assessment by the Directors, it was determined that there were no indicators of valuation change. As such, the Directors determined to retain the Property at a value of \$46.5m as at 30 June 2025.



## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 17. Financial Risk Management and Fair Value Management (continued)

##### (d) Fair Value Measurement (continued)

###### Level 3 assets and liabilities

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

	30 June 2025	30 June 2024
	\$	\$
<b>Investment property</b>		
Opening balance	46,500,000	53,000,000
Unrealised fair value loss on investment property	(527,621)	(7,912,487)
Capital improvements	331,083	1,284,343
Deferred lease asset	40,601	23,457
Leasing fees	155,937	104,687
<b>Total</b>	<b>46,500,000</b>	<b>46,500,000</b>
	30 June 2025	30 June 2024
	\$	\$
<b>Other investments</b>		
Opening balance	-	246,295
Disposal of other investments	-	(246,295)
<b>Total</b>	<b>-</b>	<b>-</b>

Unobservable inputs used in the valuation of level 3 investment property and sensitivity analysis are as follows:

Description	Inputs	Adopted rate	Sensitivity
Property	Capitalisation rate	7.77%	0.25% change would increase/(decrease) fair value by \$1,600,000/(\$1,500,000)
	Internal rate of return	7.97%	0.29% change would increase/(decrease) fair value by \$1,000,000
	Terminal Yield	8.00%	0.25% change would increase/(decrease) fair value by \$800,000
	Net Passing income		5% change would increase/(decrease) fair value by \$2,700,000/(\$2,700,000)

The following table demonstrates the sensitivity of the Fund's net assets and net profit to a reasonable change in price, with all other variables constant as at 30 June 2025.

	Percentage change in price increase/(decrease)	Effect on net profit and net assets attributable to members of the Fund
Year ended 30 June 2025	+10%/(10%)	\$4,650,000/(\$4,650,000)
Year ended 30 June 2024	+10%/(10%)	\$4,650,000/(\$4,650,000)

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 18. Cash and Cash Equivalents

(a) Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	30 June 2025 \$	30 June 2024 \$
Cash and cash equivalents	1,156,600	3,984,379
Total	1,156,600	3,984,379

(b) Reconciliation of total comprehensive income/(loss) for the year to net cash flows provided by operating activities:

	Year ended 30 June 2025 \$	Year ended 30 June 2024 \$
<b>Net income/(loss) attributable to unitholders</b>	<b>9,402,758</b>	<b>(14,326,785)</b>
<b>Adjustments for:</b>		
Reversal of default interest provision	(8,879,593)	-
Aborted deal cost	-	127,244
Impairment expense	-	1,100,000
Unrealised fair value loss on investment property	527,621	7,912,487
Capitalised line fee	332	4,469
Straight-line rental income	(40,601)	(23,457)
Leasing fees	(217,060)	(167,907)
Amortisation of leasing fees	61,123	63,220
<b>Change in assets and liabilities:</b>		
Net change in other current assets	(49,643)	204,896
Net change in trade and other payables	93,804	6,611,893
<b>Net cash provided by operating activities</b>	<b>898,741</b>	<b>1,506,060</b>

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Notes to the Financial Statements

#### 19. Interest Bearing Liabilities

	30 June 2025	30 June 2024
	\$	\$
<b>Current liabilities</b>		
Interest bearing liabilities	25,860,885	28,485,553

The Fund has a loan facility from ING Bank, which during the year, was extended to 30 September 2025 on 24 September 2024. On 4 September 2025, the facility was further extended to 30 September 2027. The loan is a variable interest loan with interest charged at BBSY bid rate + 2.15% margin and continues to be secured by a registered first mortgage over the property.

The Fund's drawn and undrawn loan facility by tranche were as follows:

##### Year ended 30 June 2025

	Tranche 1	Tranche 2	Total
	\$	\$	\$
Drawn Facility	24,430,000	1,430,885	25,860,885
Undrawn Facility	-	-	-
<b>Total</b>	<b>24,430,000</b>	<b>1,430,885</b>	<b>25,860,885</b>

##### Year ended 30 June 2024

	Tranche 1	Tranche 2	Total
	\$	\$	\$
Drawn Facility	25,930,000	2,555,554	28,485,554
Undrawn Facility	-	-	-
<b>Total</b>	<b>25,930,000</b>	<b>2,555,554</b>	<b>28,485,554</b>

#### 20. Subsequent Events

The ING loan facility which was due to mature on 30 September 2025, was extended on 4 September 2025 to a 2-year loan on terms acceptable to the Responsible Entity, including a requirement to repay \$285,885 to the lender by 31 March 2026 to ensure the LVR is below 55% from 31 March 2026.

On 2 July 2025 the Vendor commenced a second action against the Fund, claiming liquidated damages in the amount of \$18,594,703 made up of difference in sale price achieved on the resale of the building, expenses incurred on the resale and interest debt. The parties had agreed, in principle, to merge the March 2023 proceedings and these proceedings however, before appropriate Court Orders could be reached, the parties agreed to pursue mediation.

Other than the above, there has been no matter or circumstance occurring subsequent to the year ended 30 June 2025 that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years

**Notes to the Financial Statements**

**21. Commitments and Contingencies**

Consistent with the Fund's investment strategy, on 25 November 2022, the Fund entered into a conditional contract to acquire a property located at 63 Pirie Street, Adelaide (63PS). The purchase price pursuant to the contract was \$58.60 million and required the payment of a \$1.1 million deposit currently held by Cushman & Wakefield (it has not been released to the Vendor).

The Fund's Former Manager informed the Vendor that the condition in the contract was satisfied in circumstances where OMIFL would not have done so.

Settlement was scheduled to occur in February 2023, however, the Fund had not raised sufficient investor equity to allow settlement to occur. The Fund had attempted to negotiate with the Vendor to agree deferred settlement arrangements to permit the Fund to settle the acquisition.

The Vendor served the Fund with a notice of settlement in respect of the property, requiring the purchase to be completed by 3 July 2024. On 5 July 2024, the contract was terminated. OMIFL obtained the judicial advice that it was appropriate to defend the proceedings commenced by the Vendor and to proceed against other relevant parties in relation to the failed settlement of 63PS. This litigation is expected to be complex, lengthy and, as with any proceedings, the outcome is uncertain.

On 2 July 2025, the Vendor served a notice to make good in the amount of approximately \$18.6m, made up of liquidated damages and contractual interest. The Vendor commenced separate proceedings in respect of this amount, and while the parties had agreed to merge these new proceeds with the existing March 2023 proceedings, this activity was suspended when the parties agreed to mediation to take place in late October 2025. OMIFL's defence is the Fund has no liability in respect of the 63PS Contract, therefore OMIFL has not accepted these amounts and has requested particulars. As at the date of these financial statements, complete particulars have not been provided.

The Fund's Former Manager sought Court Orders to have the Fund (or OMIFL) pay \$1.2m into court to cover any adverse cost orders that may arise out of the litigation. OMIFL defended these proceedings and on 26 September 2025, the Court found in the Fund's favour and ordered neither the Former Manager nor Mr Kerr were entitled to an order for security for costs.

## Diversified Property Fund (formerly CPF Diversified Property Fund)

### Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) with reference to the Disclosures in note 3 (c), in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3(a) to the financial statements; and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standards and giving a true and fair view of the financial position as at 30 June 2025 and performance of the Fund for the financial year ended on that date.

Signed in accordance with a resolution of the 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  
Executive Director  
30 September 2025



## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF DIVERSIFIED PROPERTY FUND (FORMERLY CPF DIVERSIFIED PROPERTY FUND)**

### **Opinion**

We have audited the financial report, being a general purpose financial report of Diversified Property Fund (the 'Fund'), formerly CPF Diversified Property Fund, which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unit holders and cash flow statement for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

In our opinion:

- a) the financial report of the Fund is in accordance with the *Corporations Act 2001*, including:
  - i) giving a true and fair view of the financial position of the Fund for the year ended 30 June 2025 and of its performance for the year ended on that date; and
  - ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 3.

### **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.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 3 (c) in the financial report, which indicates that legal action has commenced against the Fund by Raptis Properties Pty Ltd seeking orders, among others, requiring the Fund to pay damages and penalties. As stated in Note 3 (c), this event, along with other matters as set forth in Note 3 (c), indicate that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF DIVERSIFIED PROPERTY FUND (FORMERLY CPF DIVERSIFIED PROPERTY FUND)**

### **Other Information**

The directors of the responsible entity are responsible for the other information. The other information comprises the Directors' Report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

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

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

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

### **Responsibilities of the directors of the Responsible Entity 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 are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to wind-up 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf) This description forms part of our auditor's report.

Dated at Sydney on the 30<sup>th</sup> of September 2025



**ESV Business advice and accounting**



**Dongyan Yu**  
**Client Director**