

**CHARTER HALL MAXIM PROPERTY SECURITIES FUND  
(FORMERLY FOLKESTONE MAXIM A-REIT SECURITIES FUND)**

ARSN 116 193 563

**Interim financial report  
for the reporting period 1 July 2018 to 31 December 2018**

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**Charter Hall Maxim Property Securities Fund  
(formerly Folkestone Maxim A-REIT Securities Fund)  
Directors' Report  
for the reporting period ended 31 December 2018**

**Directors' Report**

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987), ("OMIFL" or the "Responsible Entity") the responsible entity of Charter Hall Maxim Property Securities Fund (formerly Folkestone Maxim A-REIT Securities Fund) (ARSN 116 193 563) (the "Fund") present their report, together with the interim financial report of the Fund for the period 1 July 2018 to 31 December 2018.

**Responsible Entity**

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

The following persons held office as directors and company secretaries of the Responsible Entity from 1 July 2018 to 31 December 2018:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director (resigned on 26 October 2018)
Sarah Wiesener	Executive Director and Company Secretary (appointed as director on 26 October 2018)

**Principal Activities**

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

The principal activity of the Fund is to invest funds in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement ("PDS") and in accordance with the provisions of the Constitution.

The Fund did not have any employees during the period.

There has been no significant change in its activities other than disclosed in this report.

**Review and Results of Operations**

**Results**

The results of the operations of the Fund are disclosed in the Statement of Comprehensive Income in this report. The Fund's net operating profit/(loss) for the current period was \$862,946 (2017: \$3,331,301).

Distributions paid or payable in respect of the financial period were:

	Period ended		31 December	
	31 December 2018		31 December 2017	
	\$	cent/unit	\$	cent/unit
Distribution paid 30 September	445,666	0.54	263,167	0.77
Distribution payable 31 December	717,857	0.76	344,356	0.79
	<b>1,163,523</b>	<b>1.30</b>	<b>607,523</b>	<b>1.56</b>

**Net Value of the Fund's Assets**

The Fund's net assets were valued at \$85,452,661 as at 31 December 2018 (30 June 2018: \$62,862,487). The Fund calculates the net asset value of Fund units on a daily basis. The net asset value of the Fund is calculated by deducting the value of the liabilities of the Fund excluding net assets attributable to unitholders from the value of the Fund's gross assets.

The value of the Fund's assets as at the end of the financial period is disclosed in the Statement of Financial Position as total assets and the basis of valuation is included in Note 2 of the financial statements.

**Directors' Report (continued)**

**Management Fees Paid and Payable**

As stated in the PDS, the Responsible Entity charges a management fee of 0.95% of the gross asset value of the Fund up to and including \$50 million plus 0.85% of the gross asset value of the Fund in excess of \$50 million (inclusive of GST and net of any RITC). The fee accrues daily and is payable monthly in arrears out of the assets of the Fund to the investment manager of the Fund, Charter Hall Property Securities Management Limited ("Investment Manager").

The following management fees were paid or payable out of the Fund's assets during the reporting period ended 31 December 2018:

- Management fees of \$350,946 (31 December 2017: \$144,979) were incurred during the reporting period;
- Management fees of \$66,776 (30 June 2018: \$45,131) were payable as at 31 December 2018.

The costs of providing responsible entity, investment management, custodian, administration, registry and audit services to the Fund are paid out of the management fees referred to above.

**Changes in State of Affairs**

On 22 August 2018, the Responsible Entity was notified that Charter Hall Group (ASX:CHC) ("Charter Hall") and Folkestone Limited (ASX:FLK) ("Folkestone") announced that a Scheme Implementation Agreement had been entered into for Charter Hall to acquire Folkestone ("Scheme") which in addition to other assets, would include the manager of the Fund. Folkestone shareholders voted in favour of the Scheme Implementation Agreement and it became legally effective as of Wednesday, 7 November 2018. As a result of the acquisition, the Investment Manager changed its name from Folkestone Maxim Asset Management Limited to Charter Hall Property Securities Management Limited. A new Product Disclosure Statement ("PDS") was issued for the Fund dated 8 November 2018.

In the opinion of the directors of the Responsible Entity there were no other significant changes in the state of affairs of the Fund that occurred during the financial period under review.

**Events Subsequent to Balance Date**

There have been no matters or circumstances that have significantly affected or may significantly affect the Fund.

**Directors' Report (continued)**

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is included at page 5.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 306(3)(a) of the *Corporations Act 2001*.

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



Frank Tearle  
Director

12 March 2019

# Bondy Mortimer & Co

CPA Practice

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M.A. Mortimer  
CPA

## The Directors

**One Managed Investment Funds Limited as Responsible Entity for  
Charter Hall Maxim Property Securities Fund  
(formerly Folkestone Maxim A-REIT Securities Fund)  
Level 11  
20 Hunter Street  
Sydney NSW 2000**

12 March 2019

Dear Directors


**Auditor's Independence Declaration to the directors of One Fund Managed  
Investment Funds Limited as Responsible Entity of Charter Hall Maxim  
Property Securities Fund (formerly Folkestone Maxim A-REIT Securities Fund)  
ARSN 116 193 563**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of One Managed Investment Funds Limited acting as Responsible Entity for Charter Hall Maxim Property Securities Fund (formerly Folkestone Maxim A-REIT Securities Fund) ARSN 116 193 563.

As lead reviewer of the Interim Financial Report of Charter Hall Maxim Property Securities Fund (formerly Folkestone Maxim A-REIT Securities Fund) for the six months ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

  
Mark Mortimer  
Bondy Mortimer & Co.

# Bondy Mortimer & Co

## CPA Practice

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### **Independent Auditor's Review Report to the Unit Holders of CHARTER HALL MAXIM PROPERTY SECURITIES FUND (FORMERLY FOLKESTONE MAXIM A-REIT SECURITIES FUND) ARSN 116 193 563**

We have reviewed the accompanying Interim Financial Report, for the reporting period 1 July 2018 to 31 December 2018 of the Charter Hall Maxim Property Securities Fund, (formerly Folkestone Maxim A-REIT Securities Fund), which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, the Statement of Changes in Equity and Notes to the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Interim Financial Report*

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987) as Responsible Entity of the fund, are responsible for the preparation of the Interim 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 Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As auditor of Charter Hall Maxim Property Securities Fund (formerly Folkestone Maxim A-REIT Securities Fund), ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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


*Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of One Managed Investment Funds Limited, would be in the same terms if given to the directors as at the time of this review.

*Opinion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Charter Hall Maxim Property Securities Fund (formerly Folkestone Maxim A-REIT Securities 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 2018 and of its performance for the half-year ended on that date; and
- (b) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

  
Mark Mortimer  
BONDY MORTIMER & CO  
Dated this 12 March 2019



**Directors' Declaration**

The directors of the Responsible Entity declare that:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standards 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 2018 and of its performance for the financial half-year ended on that date; 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

12 March 2019

Charter Hall Maxim Property Securities Fund  
(formerly Folkestone Maxim A-REIT Securities Fund)  
Statement of Comprehensive Income  
for the reporting period ended 31 December 2018

Statement of Comprehensive Income

	Note	Period ended	
		31 December 2018 \$	31 December 2017 \$
<b>Income</b>			
Dividend and trust distribution income		1,830,969	764,425
Interest income		19,051	5,548
Net unrealised gains/(losses) on sale of financial assets	3	(1,086,502)	2,430,663
Net realised gains on sale of financial assets	3	564,479	327,600
Other income		11,700	-
<b>Net income</b>		<b>1,339,697</b>	<b>3,528,236</b>
<b>Expenses</b>			
Management fees		350,946	144,979
Transaction costs		124,991	51,034
Other operating expenses		814	922
<b>Operating expenses before finance costs</b>		<b>476,751</b>	<b>196,935</b>
<b>Net profit for the period</b>		<b>862,946</b>	<b>3,331,301</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>862,946</b>	<b>3,331,301</b>

*The Statement of Comprehensive Income should be read in conjunction with the notes to the Financial Statements.*

Charter Hall Maxim Property Securities Fund  
(formerly Folkestone Maxim A-REIT Securities Fund)  
Statement of Financial Position  
As at 31 December 2018

Statement of Financial Position

	Note	31 December 2018 \$	30 June 2018 \$
<b>Assets</b>			
Cash and cash equivalents		1,410,948	2,363,816
Financial assets held at fair value through profit or loss	6	82,445,784	60,850,898
Balance due from brokers		2,148,578	-
Receivables	7	1,198,711	904,195
<b>Total assets</b>		<b>87,204,021</b>	<b>64,118,909</b>
<b>Liabilities</b>			
Distributions payable	4	717,857	683,509
Balance due to brokers		966,727	527,782
Payables	8	66,776	45,131
<b>Total liabilities</b>		<b>1,751,360</b>	<b>1,256,422</b>
<b>Net assets attributable to unitholders - equity</b>	5	<b>85,452,661</b>	<b>62,862,487</b>

*The Statement of Financial Position is to be read in conjunction with the notes to the Financial Statements.*

Charter Hall Maxim Property Securities Fund  
(formerly Folkestone Maxim A-REIT Securities Fund)  
**Statement of Cash Flows**  
for the reporting period ended 31 December 2018

**Statement of Cash Flows**

	Period ended	
Note	31 December 2018	31 December 2017
	\$	\$
<b>Cash flows from operating activities</b>		
Dividends and trust distributions received	1,539,017	652,726
Interest received	19,142	5,377
Management and administration fees paid	(329,301)	(134,893)
RITC paid	(2,655)	(941)
Transaction costs paid	(124,991)	(51,034)
Other expenses paid	(814)	(922)
Other income received	11,700	-
<b>Net cash inflow from operating activities</b>	<b>1,112,098</b>	<b>470,313</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(41,282,783)	(16,308,706)
Proceeds on sale of investments	17,456,240	6,868,709
<b>Net cash outflow from investing activities</b>	<b>(23,826,543)</b>	<b>(9,439,997)</b>
<b>Cash flows from financing activities</b>		
Proceeds from applications by unitholders	27,451,927	13,776,019
Payments for redemptions to unitholders	(4,600,116)	(2,723,529)
Distributions paid	(1,090,234)	(423,051)
<b>Net cash inflow from financing activities</b>	<b>21,761,577</b>	<b>10,629,439</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(952,868)</b>	<b>1,659,755</b>
Cash and cash equivalents at the beginning of the period	2,363,816	323,565
<b>Cash and cash equivalents at the end of the financial period</b>	<b>1,410,948</b>	<b>1,983,320</b>
<b>Non-cash financing activities</b>	<b>38,940</b>	<b>21,659</b>

*The Statement of Cash Flows is to be read in conjunction with the notes to the Financial Statements.*

Charter Hall Maxim Property Securities Fund  
(formerly Folkestone Maxim A-REIT Securities Fund)  
Statement of Changes in Equity  
for the reporting period ended 31 December 2018

Statement of Changes in Equity

	Note	Period ended	
		31 December 2018	31 December 2017
		\$	\$
<b>Total equity at the beginning of the financial period</b>		<b>62,862,487</b>	-
Reclassification due to AMIT tax regime implementation*		-	25,459,886
<b>Comprehensive income for the period</b>			
Net profit for the period	5	<u>862,946</u>	3,331,301
Total comprehensive income		<b>862,946</b>	3,331,301
<b>Transactions with unitholders</b>			
Applications	5	27,451,927	13,776,019
Redemptions	5	(4,600,116)	(2,723,529)
Reinvestment of distributions	5	38,940	21,659
Distributions paid and payable	5	<u>(1,163,523)</u>	(607,523)
<b>Total transactions with unitholders</b>		<b>21,727,228</b>	10,466,626
<b>Total equity at the end of the financial period*</b>		<b><u>85,452,661</u></b>	<b>39,257,813</b>

\*Effective from 1 July 2017, the Fund's units have been reclassified from a financial liability to equity. Refer to Note 1 and Note 5 for further detail. As a result, equity transactions, including distributions have been disclosed in the above statement for the period ended 31 December 2018 and 31 December 2017.

*The Statement of Changes in Equity is to be read in conjunction with the notes to the Financial Statements.*

## **1 General Information**

The interim financial report covers Charter Hall Maxim Property Securities Fund (formerly Folkestone Maxim A-REIT Securities Fund) (ARSN 116 193 563) (the "Fund") as an individual entity. The Fund is a registered managed investment scheme, constituted on 5 August 2005.

The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987) ("OMIFL" or the "Responsible Entity"). The Responsible Entity's registered office is Level 11, 20 Hunter Street, Sydney.

The Responsible Entity is incorporated and domiciled in Australia.

The interim financial statements cover the period from 1 July 2018 to 31 December 2018 (the "reporting period"). The comparative information period encompasses the period from 1 July 2017 to 31 December 2017.

The financial report is presented in the Australian currency.

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable election to be an AMIT. In order to allow the Fund to elect into the AMIT tax regime, the Fund's Constitution has been amended and the other conditions to adopt the AMIT tax regime have been met effective 1 July 2017. The Responsible Entity is therefore no longer contractually obligated to pay distributions. Consequently the units in the Fund have been reclassified from a financial liability to equity on 1 July 2017, see Note 5 for further information.

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 reissue the interim financial report.

## **2 Summary of Significant Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

### **(a) Statement of Compliance**

This interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *'Interim Financial Reporting'*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*. This interim report does not include all the notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

### **(b) Basis of Preparation**

This general purpose interim financial report has been prepared using historical cost convention, except for the revaluation of investments in financial assets and liabilities, which have been measured at fair value.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for certain investments in financial assets and net assets attributable to unitholders. The amounts expected to be received or settled in relation to these balances cannot be readily determined.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Fund's 2018 annual financial report for the financial year ended 30 June 2018.

### **(c) Going concern**

This financial report has been prepared on a going concern basis.

Charter Hall Maxim Property Securities Fund  
(formerly Folkestone Maxim A-REIT Securities Fund)  
Notes to the Financial Statements  
for the reporting period ended 31 December 2018

**3 Changes in the Fair Value/Net Market Value of Investments**

	Period ended	
	31 December	31 December
	2018	2017
	\$	\$
Net unrealised gains/(losses) on financial instruments designated as at fair value through profit or loss	(1,086,502)	2,430,663
Net realised gains on financial instruments designated as at fair value through profit or loss	564,479	327,600
	(522,023)	2,758,263

**4 Distributions Paid and Payable**

	Period ended			
	31 December	31 December	31 December	31 December
	2018	2018	2017	2017
	\$	CPU	\$	CPU
Distribution paid 30 September	445,666	0.54	263,167	0.77
Distribution payable 31 December	717,857	0.76	344,356	0.79
	1,163,523	1.30	607,523	1.56

**5 Net Assets Attributable to Unitholders**

Under AASB 132 Financial Instruments: Presentation, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Prior to 1 July 2017 the Fund classified its net assets attributable to unitholders as liabilities in accordance with AASB 132. On 1 July 2017, the Fund has elected into the AMIT tax regime. The Fund's Constitution has been amended and it no longer has a contractual obligation to pay distributions to unitholders. Therefore the net assets attributable to unitholders of the Fund meet the criteria set out under AASB 132 and are classified as equity from 1 July 2017 onwards.

As a result of the reclassification of net assets attributable to unitholders from liabilities to equity, the Fund's distributions are no longer classified as finance costs in the Statement of Comprehensive Income, but rather as distributions paid in the Statement of Changes in Equity.

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

	Period ended			
	31 December	31 December	31 December	31 December
	2018	2018	2017	2017
	No.	\$	No.	\$
Opening balance	70,065,319	62,862,487	30,753,038	25,459,886
Applications	29,966,921	27,451,927	15,775,188	13,776,019
Units issued upon reinvestment of distribution	42,719	38,940	25,701	21,659
Redemptions	(5,051,781)	(4,600,116)	(3,229,827)	(2,723,529)
Distributions paid and payable	-	(1,163,523)	-	(607,523)
Profit for the period	-	862,946	-	3,331,301
Closing balance	95,023,178	85,452,661	43,324,100	39,257,813

Net assets attributable to unitholders are classified as equity at 31 December 2018 and at 31 December 2017. Refer to Note 1 for further details.

**5 Net Assets Attributable to Unitholders (continued)**

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Units are redeemed on request at the unitholder's option. However, it is recommended that unit holders retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

*Capital risk management*

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders were classified as a liability until 30 June 2017. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

**6 Investments**

	31 December 2018	30 June 2018
	\$	\$
<b>Financial Assets Held at Fair Value through Profit or Loss:</b>		
<i>Designated at fair value through profit or loss upon initial recognition:</i>		
Australian equity securities listed on a prescribed stock exchange	82,445,784	60,850,898
<b>Total financial assets designated at fair value through profit or loss upon initial recognition</b>	<b>82,445,784</b>	<b>60,850,898</b>
<b>Total financial assets held at fair value through profit or loss</b>	<b>82,445,784</b>	<b>60,850,898</b>

The Fund aims to generate income returns and capital growth over the long term, as per the objectives stated in the Product Disclosure Statement by investing primarily in listed Australian property related securities and listed real estate investment trusts (A-REITs).

As a result of a re-classification between the value of listed and unlisted securities held by the Fund, the comparative amount of \$1,210,000 disclosed in the Financial Report issued 30 June 2018 in respect of "Unlisted securities - shares in an international real estate investment platform" has been included in "Australian equity securities listed on a prescribed stock exchange" in this Report.

**7 Receivables**

	31 December 2018	30 June 2018
	\$	\$
Interest receivable	6	97
Dividends and trust distributions receivable	1,184,292	892,340
GST receivable	14,413	11,758
	<b>1,198,711</b>	<b>904,195</b>

**8 Payables**

	31 December 2018	30 June 2018
	\$	\$
Management fees payable	66,776	45,131
	<b>66,776</b>	<b>45,131</b>

**9 Commitments and Contingent Assets and Liabilities**

There were no commitments and contingent assets and liabilities as at 31 December 2018 and 30 June 2018.



## 10 Related Parties

### Responsible Entity

Transactions with entities related to the Responsible Entity are disclosed below.

The Responsible Entity has contracted services to Charter Hall Property Securities Management Limited to act as investment manager for the Fund ("Investment Manager"). The contract is on normal commercial terms and conditions.

### Key Management Personnel

#### (a) Directors and Company Secretaries

Key management personnel who were directors and company secretaries of the Responsible Entity from 1 July 2018 to 30 June 2018 are as follows:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director (resigned on 26 October 2018)
Sarah Wiesener	Executive Director and Company Secretary (appointed as director on 26 October 2018)

#### (b) Other Key Management Personnel

Winston Sammut is a director of the Investment Manager. He is considered key management personnel through authorities given in the investment management agreement.

### Key Management Personnel Compensation

No key management personnel received any remuneration from the Fund.

### Key Management Personnel Unit Holdings

Key management personnel and their associates have held units in the Fund during the financial period as follows:

Unitholder	December 2018				
	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
	units	%	units	units	\$
Larpac Pty Ltd *	308,708	0.32%	5,079	-	3,991

\* Larpac Pty Ltd is a related entity of Winston Sammut.

Unitholder	June 2018				
	Number of units held	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
	units	%	units	units	\$
Larpac Pty Ltd*	303,629	0.43%	37,166	-	10,183
Winston Sammut and Margaret Sammut OAO Aidan Sammut	-	0.00%	298	(9,417)	349

\* Larpac Pty Ltd is a related entity of Winston Sammut.

**10 Related Parties (continued)**

**Other Transactions with the Fund**

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund since the end of the previous period and there were no contracts involving any director's interests subsisting at period end.

**Key Management Personnel Loan Disclosures**

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to key management personnel or their personally-related entities at any time during the reporting period.

**Responsible Entity's/Investment Manager's Fees and Other Transactions**

	Period ended	
	31 December 2018	31 December 2017
	\$	\$
Management fees paid by the Fund (including fees paid for the provision of investment management, responsible entity, custodian, administration, registry and audit services etc)	350,946	144,979
	<b>31 December 2018</b>	<b>31 December 2017</b>
	\$	\$
Management fees payable by the Fund at the end of the reporting period (including fees payable for the provision of investment management, responsible entity, custodian, administration, registry and audit services etc)	66,776	30,382

At balance date an amount of \$66,776 (30 June 2018: \$45,131) owing to the Investment Manager was included in accounts payable.

**Related Party Transactions**

All transactions with related parties are conducted on normal commercial terms and conditions. These transactions are subject to the same terms and conditions as those entered into by other Fund investors and are subject to corporate governance policies of the Responsible Entity and the Investment Manager.

**Related Party Investments Held by the Fund**

The Fund made no investments in the Responsible Entity or the Investment Manager, but did dispose units in the following related party entity during the financial period:

	December 2018			
	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)
Charter Hall Education Trust (formerly Folkestone Education Trust)	1,000,000	250,000	-	1,250,000
Charter Hall Retail REIT	-	500,000	-	500,000
<b>Total</b>	<b>1,000,000</b>	<b>250,000</b>	<b>-</b>	<b>1,750,000</b>
	June 2018			
	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)
Folkestone Education Trust	400,000	600,000	-	1,000,000
<b>Total</b>	<b>400,000</b>	<b>600,000</b>	<b>-</b>	<b>1,000,000</b>

## 11 Fair Value of Financial Assets and Liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement and for disclosure purposes.

The table below presents the Fund's assets measured and recognised at fair value as at 31 December 2018 by level of the following fair value measurement hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

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

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

At 31 December 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
<i>Designated at fair value through profit or loss</i>				
Australian equity securities listed on a prescribed stock exchange	82,445,784	-	-	82,445,784
<b>Total financial assets</b>	<b>82,445,784</b>	<b>-</b>	<b>-</b>	<b>82,445,784</b>

At 30 June 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
<i>Designated at fair value through profit or loss</i>				
Australian equity securities listed on a prescribed stock exchange	60,850,898	-	-	60,850,898
<b>Total financial assets</b>	<b>60,850,898</b>	<b>-</b>	<b>-</b>	<b>60,850,898</b>

As a result of a re-classification between the value of listed and unlisted securities held by the Fund, the comparative amount of \$1,210,000 disclosed in the Financial Report issued 30 June 2018 in respect of "Unlisted securities - shares in an international real estate investment platform" has been included in "Australian equity securities listed on a prescribed stock exchange" in this Report.

## 12 Events Subsequent to Reporting Date

No significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the Statement of Financial Position as at 31 December 2018 or on the results and cash flows of the Fund for the reporting period 1 July 2018 to 31 December 2018.