

Euree A-REIT Securities Fund

ARSN 669 664 500

Annual report for the financial period from 14 August 2023 (commencement of operation) to 30 June 2024

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Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987) ("OMIFL" or the "Responsible Entity"), the Responsible Entity of Euree A-REIT Securities Fund (the "Fund"), submit their report together with the financial statements for the Fund for the period ended 14 August 2023 to 30 June 2024.

Responsible Entity

The Responsible Entity of the Fund is OMIFL. The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney 2000.

Directors

The names of the directors and company secretaries of the Responsible Entity, during the period and up to the date of this report are:

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

Investment Manager

The Investment Manager of the Fund is Euree Asset Management Pty Ltd (ABN 40 665 390 241).

The principal place of business of the Investment Manager is Level 8, 525 Flinders Street, Melbourne VIC 3000.

Principal Activities

The Fund is a registered managed investment scheme, under the Corporations Act and is structured as a unit trust. The Fund was constituted on 12 July 2023, registered on 24 July 2023 and commenced operations on 14 August 2023.

The principal activity of the Fund during the year was to invest in accordance with the provisions of the Fund's Constitution and its most recent offer document dated 11 August 2023 and the supplementary information memorandum dated 11 August 2023.

The Fund's investment objective is to invest in a diversified portfolio of ASX listed property securities to outperform the S&P 300 A-REIT Accumulation Index by 1.5% p.a. (after fees) over rolling 3-year periods.

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of the financial statements. The profit attributable to unitholders for the period ended 30 June 2024 was \$443,517.

Distributions

In respect of the financial period ended 30 June 2024, a distribution of \$249,878 was declared and \$221,462 payable to unitholders as at 30 June 2024.

Value of Assets and Units Issued

The total value of the Fund's assets at 30 June 2024 was \$5,505,470. The total number of units on issue as at 30 June 2024 was 4,630,551.

Directors' Report (continued)

Review of Operations (continued)

Material Changes in State of Affairs

There were no material changes in the state of affairs in the Fund during the financial period ended 30 June 2024.

Subsequent Events

There has been no matter or circumstances occurring subsequent to the end of the period that has materially affected, or may materially 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 and Expected Results of Operations

The Fund will continue to be managed in accordance with the Constitution and investment objectives as detailed in its most recent Product Disclosure Statement dated 11 August 2023.

Indemnification of Directors, Officers and Auditors

During or since the financial period, 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 Fund. 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.

Auditors independence declaration

An independent auditor's report shall be prepared by the auditor in accordance with International Auditing Standards.

This directors' report is signed in accordance with a resolution of directors of the Responsible Entity made pursuant to Section 306(3) of the Corporations Act 2001.



Frank Tearle
Director

25 September 2024



**Building a better
working world**

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Auditor's independence declaration to the directors of One Managed Investment Funds Limited as Responsible Entity for Euree A-REIT Securities Fund

As lead auditor for the audit of the financial report of Bateau Global Opportunities Fund for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

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

Ernst & Young

Rohit Khanna
Partner
25 September 2024

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 22 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the financial period from 14 August 2023 to 30 June 2024; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- (c) Note 3 confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of One Managed Investment Funds Limited through a delegated authority given by One Managed Investment Funds Limited's Board.



Frank Tearle
Director

25 September 2024

Statement of Profit or Loss and Other Comprehensive Income for the period from 14 August 2023 to 30 June 2024

	Note	Period from 14 August 2023 to 30 June 2024 \$
Income		
Net gains on financial assets at fair value through profit or loss		357,870
Dividend income		103,118
Interest income		1,276
Total income		462,264
Expenses		
Management fees	7	18,735
Other expenses		13
Total expenses		18,748
Profit for the period		443,516
Comprehensive income		
Other comprehensive income for the period		-
Total comprehensive income		443,516

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

Statement of Financial Position as at 30 June 2024

	Note	As at 30 June 2024 \$
Assets		
Cash and cash equivalents	8(a)	103,423
Financial assets held at fair value through profit or loss	5	5,316,663
GST receivable		1,192
Dividends receivable		59,181
Interest receivable		11
Application receivable		25,000
Total assets		5,505,470
Liabilities		
Management fees payable	7	3,844
Due to broker		33,218
Distribution payable		221,462
Total liabilities		258,524
Net assets attributable to unitholders - equity	6	5,246,946

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

Statement of Changes in Equity for the period from 14 August 2023 to 30 June 2024

	Period from 14 August 2023 to 30 June 2024
	\$
Total equity opening balance	-
Profit for the period	443,516
Total comprehensive income for the period	443,516
Transactions with unit holders	
Applications	5,051,685
Units issued upon reinvestment of distributions	1,623
Distributions paid and payable	(249,878)
Transactions with owners in their capacity as equity holders	4,803,430
Total equity at the end of the financial period	5,246,946

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

Statement of Cash Flows for the period from 14 August 2023 to 30 June 2024

	Note	Period from 14 August 2023 to 30 June 2024
		\$
Cash flows from operating activities		<u> </u>
Net (losses) on financial instruments at fair value through profit		(4,925,702)
Management fees paid		(14,891)
Other income received		115
Dividends received		(59,181)
GST received		<u>101,926</u>
Net cash used in operating activities	8(b)	<u>(4,897,733)</u>
Cash flows from financing activities		
Distributions paid to unitholders		(26,794)
Interest received		1,265
Proceeds from unitholders applications		<u>5,026,685</u>
Net cash provided by financing activities		<u>5,001,156</u>
Net increase in cash and cash equivalents		<u>103,423</u>
Cash and cash equivalents at the end of the period	8(a)	<u>103,423</u>

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

1. General information

The Fund is registered as a managed investment scheme. The trustee of the Fund is One Managed Investment Funds Limited (“OMIFL” or the “Responsible Entity”). The registered office and principal place of business of the Trustee is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW 2000.

The Fund was constituted on 12 July 2023, registered on 24 July 2023 and commenced operations on 14 August 2023.

The financial statements were authorised for issue by the directors on the date the Director's Declaration was signed: The directors of the Responsible Entity have the power to amend and reissue the financial statements. The principal activity of the Fund is disclosed in the Directors' Report.

2. New or amended Accounting Standards and Interpretations adopted

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 reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Fund.

3. Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) 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* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

3. Material accounting policies (continued)

(a) Basis of preparation (continued)

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

(b) Going concern basis

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

(c) Revenue and income recognition

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Changes in fair value of financial assets and liabilities are recognised in profit or loss in the period in which the changes occur.

Distributions

Distributions from investments are recognised when the right to receive the payment is established.

Dividends

Dividend income is recognised on the ex-dividend date.

Interest Income

Interest income is recognised as interest accrued using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

(d) Expenses

All expenses, including Responsible Entity and Investment Manager fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and cash balances held with financial institutions.

(f) Taxation

Under the current tax 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.

3. Material accounting policies (continued)***(g) Distributions***

In accordance with the Product Disclosure Statement, the Fund intends to pay income distributions quarterly. An income distribution comprises the Investor's shares of any net income earned by the Fund and determined to be distributable by the Responsible Entity. Where a distribution is made, the entitlement to income in respect of the class for a distribution period is the entitlement of the class for the period divided by the number of units of the class on issue as at the relevant distribution date. Distributions will generally be paid within 20 Business Days after the end of the Distribution Period or when possible following the winding up of the Fund.

Distributable income includes capital gains arising from the disposal of investments. Unrealised gains or losses on investments that are recognised in the Statement of Profit or Loss and Other Comprehensive Income are not distributed until realised. Capital losses are not distributed to unitholders and are retained to be offset against future realised capital gains.

(h) Payables

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

(i) Due to/from broker

Amounts due to/from brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by period end. Trades are recorded on trade date, and are normally settled within 1 to 2 business days for the listed investments and up to 3 weeks for the unlisted investments. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant difficulties of the broker, and the probability that the broker will enter into bankruptcy or financial reorganisation and default in payments.

(j) Receivables

Receivables may include amounts for dividends, interest, and securities sold where settlement has not yet occurred. Dividends are accrued when the right to receive payment is established. Interest is accrued in accordance with the method outlined in note 3(d). Amounts are generally received within 30 days of being recorded as receivables.

(k) 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.

(l) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Trustee if it is in the best interests of the unitholders.

The units can be put back to the Fund at any time for cash based on the redemption price. 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.

3. Material accounting policies (continued)

(l) Net assets attributable to unitholders (continued)

Units are classified as equity when they satisfy the following criteria under *AASB 132 Financial instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

(m) Critical accounting judgements and key sources of estimation uncertainty

Management has adhered to the Fund's unit pricing policy which sets out the basis upon which the units of the Fund have been valued, a copy of which is available upon request.

In the application of the accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the determination of the value of investments are outlined in Note 4 of these financial statements.

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

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of 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 tax authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

4. Financial Risk Management

The Fund's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management program focuses on ensuring compliance with the Fund's Information Memorandum and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by the Investment Manager.

4. Financial Risk Management (continued)

(a) Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices liquidity. Market risk is managed and monitored on an ongoing basis by the Investment Manager.

(i) Price risk

Price risk is the risk that the fair value of investments decreases as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Price risk is managed by monitoring compliance with established investment mandate limits. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

A sensitivity analysis was performed showing how the effect of a 10% increase and a 10% decrease in market prices would have increased/decreased the impact on operating profit/net assets attributable to unitholders as at 30 June 2024. The results of this analysis are disclosed in Note 13(b).

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Fund has no financial assets and liabilities denominated in other currencies and held nearly all its financial instruments in Australian dollars. Exposure to foreign exchange risk is considered to be nil and no sensitivity analysis was performed.

(iii) Cash flow and fair value interest risk

The Fund is exposed to cash flow interest risk on financial instruments with variable interest rates. The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its Statement of Financial Position and cash flows. The risk is measured using sensitivity analysis.

The only financial asset held by the Fund subject to interest rate risk is cash and cash equivalents. The Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Fund invests and impact on the valuation of certain assets that use interest rates as input in their valuation model. Therefore, the sensitivity analysis may not fully indicate the total effect on the Fund's net assets attributable to unitholders of future movements in interest rates.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

There is no significant direct interest rate risk in the Fund as the Fund does not directly hold interest rate sensitive financial instruments. The interest rates on deposits at bank and on bank overdrafts are both referenced to RBA cash rate.

A sensitivity analysis was performed showing how the effect of a 25 basis point increase and a 25 basis point decrease in interest rates on cash and cash equivalents would have increased/decreased the impact on operating profit/net assets attributable to unitholders as at 30 June 2024. The results of this analysis are disclosed in Note 13(b).

Euree A-REIT Securities Fund

Notes to the Financial Statements

4. Financial Risk Management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest risk (continued)

The following table summarises the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair value, categorised by the earlier of contractual repricing or maturity dates.

	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total \$
30 June 2024				
Financial Assets				
Cash and cash equivalents	103,423	-	-	103,423
Other assets	-	-	85,384	85,384
Financial assets at fair value through profit or loss	-	-	5,316,663	5,316,663
	103,423	-	5,402,047	5,505,470
Financial Liabilities				
Management fees payable	-	-	(3,844)	(3,844)
Other payables	-	-	(33,218)	(33,218)
Distributions payable	-	-	(221,462)	(221,462)
	-	-	(258,524)	(258,524)
Net exposure	103,423	-	5,143,523	5,246,946

(b) Summarised sensitivity analysis

The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, foreign exchange rates and historical market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders to price risk and interest rate risk:

	Change in basis points increase/(decrease)	Effect on operating profit and net assets attributable to unitholders (\$)
Year ended 2024		
AUD interest rate	100bps/(100bps)	1,034/(1,034)

4. Financial Risk Management (continued)

(c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due.

The main concentration of credit risk to which the Fund is exposed arises from cash and cash equivalents. Credit risk is mitigated on the basis that the Fund only holds cash with major Australian banks.

An analysis of the Fund’s cash and cash equivalents by counterparty is disclosed in the following table:

	Period ended 30 June 2024
	\$
AA-	3,464
A+	99,959
	103,423

(d) 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 risk that an investment made by the Fund may not be easily converted into cash with little or no loss of capital and minimum delay. This may cause a delay or freeze in processing withdrawal requests.

The Fund is exposed to daily cash redemptions of its units. Its policy is therefore to hold investments that are traded in an active market and can be readily disposed.

The Fund’s listed securities are considered readily realisable, as they are listed on the Australian Securities Exchange.

In order to manage the Fund’s overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders. The Fund did not reject or withhold any redemption during the year ended 30 June 2024.

4. Financial Risk Management (continued)

(d) Liquidity risk (continued)

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

	On Demand	Less than 1 month	1-12 months	Total
30 June 2024	\$	\$	\$	\$
Management fees payable	-	3,844	-	3,844
Other payables	-	33,218	-	33,218
Distributions payable	-	221,462	-	221,462
Net assets attributable to unitholders - equity	5,246,946	-	-	5,246,946
Total equity	5,246,946	258,524	-	5,505,470

5. Investments in Financial instruments

The Fund measures and recognises the following assets and liabilities at fair value through profit or loss on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVPL)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy;

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

5. Investments in Financial Instruments (continued)

Fair value measurement (continued)

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

Recognised fair value measurements

The following table presents the Fund's assets and liabilities measured and recognised at fair value as at 30 June 2024.

	30 June 2024			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Financial assets at fair value through profit and loss				
Investments in listed equities	5,316,663	-	-	5,316,663
Total	5,316,663	-	-	5,316,663

6. 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 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 set out in Note 3(l). The Fund's units are classified as equity as they meet the definition of a financial instrument to be classified as equity.

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

For the period ended 30 June 2024	No. of Units	\$
Applications for units by unitholders	4,630,551	5,051,686
Redemptions of units by unitholders	-	-
Distributions paid and payable to unitholders	-	(248,256)
Profit for the period	-	443,516
Closing balance as at 30 June 2024	4,630,551	5,246,946

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.

7. Investment Manager Fees Paid and Payable

Investment management fees are the fees charged by the Investment Manager for managing the Fund investments. The Investment Manager charges 0.85% per annum (inclusive of GST and less any reduced input tax credits) of the net asset value of the Fund. The management fee is calculated daily and deducted from the assets of the Fund on the first day of each month. Indirect costs are deducted from the Fund's assets as and when incurred. The Investment Manager pays the expenses of the Fund (other than the extraordinary expenses) from the management fee. To the extent there is a shortfall to these expenses they will be paid by the Investment Manager. Extraordinary expenses are paid from the Fund assets as and when incurred.

The following management fees were paid or payable out of the Fund's property during the period ended 30 June 2024:

- Management fees of \$18,735 were incurred during the year ; and
- Management fees payable at 30 June 2024 were \$3,844 .

8. Cash and cash equivalents

(a) Cash and cash equivalents include cash at banks and cash balances held with brokers. 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 2024
	\$
Cash at banks	<u>103,423</u>

Euree A-REIT Securities Fund

Notes to the Financial Statements

8. Cash and cash equivalents (continued)

(b) Reconciliation of profit/(loss) for the year to net cash flows used in operating activities:

	Period ended 30 June 2024 \$
<i>Profit for the period</i>	443,516
Net (gains) on financial assets held at fair value through profit or loss	(357,870)
Net purchase of financial assets designated at fair value through profit or loss	(4,925,702)
Interest expenses	(1,276)
Other expenses	13
Other Income	114
<i>Change in assets and liabilities</i>	
Decrease in receivables	(60,372)
Increase in other payables	3,844
Net cash used in operating activities	<u>(4,897,733)</u>

(c) Distribution of \$1,622 were paid to unitholders as reinvestments during the financial year to 30 June 2024.

9. Auditor's Remuneration

	30 June 2024 \$
Audit of the financial report	15,000
Audit of compliance plan	5,000
Total remuneration for audit and other assurance services	<u>20,000</u>
Total remuneration for audit and other assurance services	<u>20,000</u>

The auditor of the Fund is Ernst & Young. The auditors' remuneration for the year ended 30 June 2024 will be paid out of the Management Fee and to the extent there is a shortfall to these expenses, they will be paid by the Investment Manager.

10. Related party transactions

(a) Responsible Entity

The Responsible Entity of Euree A-Reit Securities Fund is One Managed Investment Funds Limited (ABN 47 117 400 987).

The Responsible Entity has contracted services to Euree Asset Management Pty Ltd. to act as Investment Manager for the Fund.

The Responsible Entity is entitled to receive a fee for acting as the responsible entity and custodian for the Fund. Responsible entity and custody fees of \$10,465 were incurred for the period ended 30 June 2024 and \$437 was payable as at the end of the year.

None of the above has received any remuneration directly from the Fund in relation to these services and they are remunerated out of the Management Fee. To the extent there is a shortfall to these expenses, they will be paid by the Investment Manager.

(b) Investment Manager

i) The Investment Manager of the Fund is Euree Asset Management Pty Ltd (ABN 40 665 390 241). Fees paid and payable to the Investment Manager have been disclosed in Note 7 of the financial statements.

ii) Key personnel holdings

Unitholder	Opening Units	% Holding	Closing Units
Larnpace Pty Ltd Sammut Family Trust	-	0.11%	5,299.8096
Larnpace Pty Ltd Sammut Retirement Trust	-	2.19%	101,410.4319

(c) Key management personnel

The key management personnel of the Trustee are:

The names of the directors and company secretaries of the Trustee, during the financial year and up to the date of this report are:

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

10. Related party transactions (continued)

(d) Other fees paid to related and affiliated parties

The Responsible Entity has appointed third party service providers to the Fund, some of whom are related or affiliated parties of the Responsible Entity. The following entities, which are related or affiliated parties of the Responsible Entity, have provided services to the Fund during the period ended 30 June 2024:

One Registry Services Pty Limited, an entity associated with the Responsible Entity, provided registry services to the Fund for the period ended 30 June 2024. Registry fees of \$11,021 were incurred for the period ended 30 June 2024, and \$2,318 was payable as of the end of the year.

Unity Fund Services Pty Ltd, an entity affiliated with the Responsible Entity, provided fund administration and taxation services to the Fund for the period ended 30 June 2024. Fund administration and taxation services fees of \$46,063 were incurred for the period ended 30 June 2024, and \$4,837 was payable as of the end of the year.

None of the above has received any remuneration directly from the Fund in relation to these services and they are remunerated out of the Management Fee. To the extent there is a shortfall to these expenses, they will be paid by the Investment Manager.

(e) Investments

The fund is held by two unlisted investments issued by members of OIG:

	Fair value of investment (\$)	Interest held %	Distributions paid (\$)	Distributions payable	Units issued during the year	Units redeemed during the year
As at 30 June 2024						
Euree Multi-Asset Balanced Fund						
Euree Multi-Asset Balanced Fund ("EMABF")	2,856,216	54.44%	130,879	120,559	2,520,776	-
Euree Multi-Asset Growth Fund ("EMAGF")	2,241,968	42.73%	110,728	94,632	1,978,667	-

11. Contingent Assets and Liabilities and Commitments

There are no contingent assets and liabilities and commitments as at 30 June 2024.

12. Subsequent Events

There has been no matter or circumstances occurring subsequent to the end of the year that has materially affected, or may materially affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Independent Auditor's Report to the unitholders of Euree A-REIT Securities Fund

Opinion

We have audited the financial report of Euree A-REIT Securities Fund (the Fund), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 14 August 2023 (commencement of operation) to 30 June 2024, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its financial performance for the period from 14 August 2023 (commencement of operation) to 30 June 2024; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

The Directors of the One Managed Investment Funds Limited (Responsible Entity) are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Responsible Entity.
- ▶ Conclude on the appropriateness of the Directors of the Responsible Entity of the Funds' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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working world**

We communicate with the Directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Rohit Khanna

Rohit Khanna
Partner
Sydney
25 September 2024