

Diversified Property Fund (formerly CPF Diversified Property Fund)

ARSN 610 941 654

Interim report for the half-year ended 31 December 2024

Index to the Financial Statements	Page
Directors' Report	1
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Net Assets Attributable to Unitholders	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	21
Independent Auditor's Report	22

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 the interim financial report of the Fund for the half-year ended 31 December 2024.

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:

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

Principal activities

The Fund is an unlisted registered managed investment scheme, 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 half-year ended 31 December 2024.

Review of operations

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of these interim financial statements. The profit attributable to unitholders for the half-year ended 31 December 2024 was \$353,360 (31 December 2023: \$2,354,719 loss).

Distributions

In respect of the half-year ended 31 December 2024, no distribution was payable to unitholders (half-year ended 31 December 2023: nil).

Value of Assets and Units Issued

The total value of the Fund's assets at 31 December 2024 was \$48,509,935 (30 June 2024: \$50,523,786). The total number of units on issue as at 31 December 2024 was 28,964,501 (30 June 2024: 28,964,501).

Diversified Property Fund (formerly CPF Diversified Property Fund)

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 resolving the litigation (referred to below), 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) (Former Manager) recommended the Fund acquire from Raptis Properties Pty Ltd (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. 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. The proceeding is being defended (inter alia) on the basis that the Vendor is not entitled to recover any damages from the assets of the Fund. This litigation is expected to be complex, lengthy and, as with any proceedings, the outcome is uncertain. The Responsible Entity intends to continue to seek a negotiated settlement with the Vendor and to seek contributions from the Former Manager and any other party it considers liable.

3. A major tenant at 601CD has confirmed that they will not renew their lease in June 2025 and accordingly Archerfield Investment Management Pty Ltd (New Manager), are working to secure suitable replacement tenants. The New Manager is 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. The directors believe a satisfactory resolution can be met, however there is no certainty of this.
4. As at the reporting date, the Fund has a net current asset deficiency of \$34,383,287 (30 June 2024: \$34,711,909). This is due to the Fund's interest-bearing liabilities of \$26,611,000 being current with the Fund's ING loan facility due for repayment on 30 September 2025 and the inclusion of provisions for default interest in accordance with the 63PS contract.

There is no event of default subsisting under the Fund's current financing arrangements and the Responsible Entity believes, if the litigation is resolved and the Fund meets its applicable other debt requirements, the Fund will have access to appropriate longer-term financing arrangements. If the Responsible Entity's defence to the litigation is successful or if a negotiated settlement with the Vendor can be reached, this default interest provision may be reduced or reversed.

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

Diversified Property Fund (formerly CPF Diversified Property Fund)

Directors' Report (continued)

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 reporting period are disclosed in Note 12 to the financial statements.

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

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 (SOC) from the vendor of 63 Pirie Street property on 2 March 2023. The Fund had entered into a contract to purchase 63PS for \$58.60 million. Settlement was scheduled to occur in late February 2023, however the Fund 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 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"). The Manager is currently acting as Asset Manager.

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 half-year ended 31 December 2024.

Subsequent Events

There has been no matter or circumstance occurring subsequent to the half-year ended 31 December 2024 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.

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 5.

Diversified Property Fund (formerly CPF Diversified Property Fund)

Directors' Report (continued)

This report is made in accordance with a resolution of the directors of the Responsible Entity, One Managed Investment Funds Limited, pursuant to section 306(3)(a) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'Frank Tearle', written in a cursive style.

Frank Tearle
Executive Director
13 March 2025



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

As auditor for the review of the half year financial report of Diversified Property Fund for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Dated at Sydney on the 13th of March 2025

A handwritten signature in black ink, appearing to read 'Hemant Nisar'.

ESV Business advice and accounting

A handwritten signature in black ink, appearing to read 'Hemant Nisar'.

Hemant Nisar
Client Director

Diversified Property Fund (formerly CPF Diversified Property Fund)

**Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2024**

		Half-year ended 31 December 2024	Half-year ended 31 December 2023
	Notes	\$	\$
Revenue			
Rental and other property income		2,012,626	2,704,302
Straight-line rental income		30,109	(4,531)
Interest income		52,793	74,019
Distribution income		-	3,379
Unrealised fair value loss on investment property	7	(2,657)	(78,242)
Total revenue		2,092,871	2,698,927
Expenses			
Finance costs		914,696	897,714
Administration expenses	5	210,968	220,103
Audit fees		20,390	28,587
Professional fees		21,121	51,207
Insurance expenses		28,120	29,973
Rental property expenses		454,315	526,657
Default interest	10(b)	89,901	3,299,405
Total expenses		1,739,511	5,053,646
Net income/(loss) attributable to unitholders		353,360	(2,354,719)
Net income/(loss) for the period		353,360	(2,354,719)
Other comprehensive income		-	-
Total comprehensive income/(loss) attributable to unitholders		353,360	(2,354,719)

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 31 December 2024

	Notes	31 December 2024 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents		1,766,798	3,984,379
Trade and other receivables		58,286	22,639
Prepayments		160,113	16,768
Total current assets		1,985,197	4,023,786
Non-current assets			
Investment property	7	46,524,738	46,500,000
Total assets		48,509,935	50,523,786
Liabilities			
Current liabilities			
Trade and other payables	8	787,990	1,370,549
Interest bearing liabilities	9	26,611,000	28,485,553
Provisions for default interest	10(a)	8,969,494	8,879,593
Total current liabilities		36,368,484	38,735,695
Total liabilities (excluding net assets attributable to unitholders)		36,368,484	38,735,695
Net assets attributable to unitholders	11	12,141,451	11,788,091

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 half-year ended 31 December 2024

		Half-year ended 31 December 2024	Half-year ended 31 December 2023
	Notes	\$	\$
Opening balance		11,788,091	26,578,308
Units issued during the period		-	-
Total comprehensive income/(loss)		353,360	(2,354,719)
Redemptions for the period		-	-
Distributions for the period		-	-
Net assets attributable to unitholders	11	12,141,451	24,223,589

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 half-year ended 31 December 2024

Notes	Half-year ended 31 December 2024 \$	Half-year ended 31 December 2023 \$
Cash flows from operating activities		
Rent received	2,178,242	3,131,562
Interest received	52,793	74,019
Distributions received	-	8,092
Finance costs paid	(945,738)	(861,225)
Payments to suppliers	(832,703)	(1,195,936)
Net cash provided by operating activities	452,594	1,156,512
Cash flows from investing activities		
Proceeds from redemption of other investment	-	246,295
Payments for capital improvements	(331,743)	(606,772)
Net cash used in investing activities	(331,743)	(360,477)
Cash flows from financing activities		
Loan repayments	(1,875,000)	-
Distributions paid to unitholders	(463,432)	(577,378)
Net cash used in financing activities	(2,338,432)	(577,378)
Net (decrease)/increase in cash and cash equivalents	(2,217,581)	218,657
Cash and cash equivalents at the beginning of the half-year	3,984,379	3,770,582
Cash and cash equivalents at the end of the half-year	1,766,798	3,989,239

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

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

1 General Information

This interim 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"). The Manager is currently acting as Asset Manager.

The interim financial report is for the half-year ended 31 December 2024.

The interim financial report was 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 interim financial report.

2 Adoption of New and Revised Accounting Standards and Interpretations

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

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

3 Material Accounting Policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

4 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 resolving the litigation (referred to below), 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) (Former Manager) recommended the Fund acquire from Raptis Properties Pty Ltd (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. 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. The proceeding is being defended (inter alia) on the basis that the Vendor is not entitled to recover any damages from the assets of the Fund. This litigation is expected to be complex, lengthy and, as with any proceedings, the outcome is uncertain. The Responsible Entity intends to continue to seek a negotiated settlement with the Vendor and to seek contributions from the Former Manager and any other party it considers liable.

3. A major tenant at 601CD has confirmed that they will not renew their lease in June 2025 and accordingly Archerfield Investment Management Pty Ltd (New Manager), are working to secure suitable replacement tenants. The New Manager is 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. The directors believe a satisfactory resolution can be met, however there is no certainty of this.
4. As at the reporting date, the Fund has a net current asset deficiency of \$34,383,287 (30 June 2024: \$34,711,909). This is due to the Fund's interest-bearing liabilities of \$26,611,000 being current with the Fund's ING loan facility due for repayment on 30 September 2025 and the inclusion of provisions for default interest in accordance with the 63PS contract.

There is no event of default subsisting under the Fund's current financing arrangements and the Responsible Entity believes, if the litigation is resolved and the Fund meets its applicable other debt requirements, the Fund will have access to appropriate longer-term financing arrangements. If the Responsible Entity's defence to the litigation is successful or if a negotiated settlement with the Vendor can be reached, this default interest provision may be reduced or reversed.

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

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

5 Administration Expenses

	Half-year ended 31 December 2024	Half-year ended 31 December 2023
	\$	\$
Management fees	136,667	148,290
Responsible entity fees	42,476	40,921
Registry fees	7,208	6,644
Accounting and tax fees	14,963	14,840
Custody fees	9,654	9,321
ASIC and APIR fees	-	87
Total for the half-year	210,968	220,103

6 Operating Income

	Half-year ended 31 December 2024	Half-year ended 31 December 2023
	\$	\$
Rental and other property income	2,012,626	2,704,302
Interest income	52,793	74,019
Distribution income	-	3,379
Administration expenses	(210,968)	(220,103)
Audit and professional fees	(41,511)	(79,794)
Insurance expenses	(28,120)	(29,973)
Rental property expenses	(454,315)	(526,657)
Operating income before interest	1,330,505	1,925,173
Interest on loan facility	(914,696)	(897,714)
Operating income after interest	415,809	1,027,459

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

7 Investment Property

	31 December 2024	30 June 2024
	\$	\$
Opening balance	46,500,000	53,000,000
Unrealised fair value loss on investment property	(2,657)	(7,912,487)
Capital improvements	24,738	1,284,343
Deferred lease asset	30,109	23,457
Leasing fees	(27,452)	104,687
Closing balance	46,524,738	46,500,000

The Responsible Entity has adopted a fair value for the 601 Coronation Drive property of \$46,500,000 as at 30 June 2024, 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 31 December 2024, the carrying value of the investment property has been increased by capital expenditures and its fair value adjusted by the deferred lease asset and leasing fees.

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.

8 Trade and Other Payables

	31 December 2024	30 June 2024
	\$	\$
Distributions payable	-	463,079
GST and withholding tax payable	75,517	30,273
Other payables	265,588	428,741
Borrowing costs payable	446,885	448,456
Closing balance	787,990	1,370,549

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

9 Interest Bearing Liabilities

	31 December 2024	30 June 2024
	\$	\$
Current liabilities		
Interest bearing liabilities	26,611,000	28,485,553

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

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

Half-year ended 31 December 2024

	Tranche 1	Tranche 2	Total
	\$	\$	\$
Drawn Facility	24,430,000	2,181,000	26,611,000
Undrawn Facility	-	-	-
Total	24,430,000	2,181,000	26,611,000

Year ended 30 June 2024

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

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

10 Provisions for Default Interest

(a) Amounts recognised in balance sheet

	31 December 2024	30 June 2024
	\$	\$
Provisions for default interest	8,969,494	8,879,593

This is 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 to 5 July 2024 when Raptis served the notice of termination to OMIFL.

(b) Amount recognised in profit and loss

	Half-year ended 31 December 2024	Half-year ended 31 December 2023
	\$	\$
Default interest	89,901	3,299,405

11 Net Assets Attributable to Unitholders

	31 December 2024	31 December 2024	30 June 2024	30 June 2024
	No. of Units	\$	No. of Units	\$
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	-	353,360	-	(14,326,785)
Closing balance	28,964,501	12,141,451	28,964,501	11,788,091

The Net Tangible Assets ("NTA") per Unit as at 31 December 2024 was \$0.4192 (30 June 2024: \$0.4070).

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

12 Related Party Transactions

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

(a) Transactions with Responsible Entity and its associated entities

The key management personnel of the Responsible Entity for the half-year ended 31 December 2024 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 31 December 2024 and 31 December 2023.

No fees or remuneration was paid directly to the key management personnel from the Fund for the half-year ended 31 December 2024 (half-year ended 2023: \$nil).

Responsible entity fees

Responsible Entity fees of \$42,476 plus GST were incurred for the half-year ended 31 December 2024 (half-year ended 31 December 2023: \$40,921) of which \$35,397 plus GST (half-year ended 31 December 2023: \$6,820) was payable to One Managed Investment Funds Limited at the end of the period. Refer to Note 5.

Custody fees

Custody fees of \$9,654 plus GST were incurred for the half-year ended 31 December 2024 (half-year ended 31 December 2023: \$9,321) of which \$8,045 plus GST (half-year ended 31 December 2023: \$1,550) was payable to One Managed Investment Funds Limited, responsible entity of the Fund, at the end of the period. Refer to Note 5.

Accounting and administration fees

Accounting and administration fees of \$14,963 plus GST were incurred for the half-year ended 31 December 2024 (half-year ended 31 December 2023: \$14,840) of which \$6,201 plus GST (half-year ended 31 December 2023: \$6,240) was payable to Unity Fund Services Pty Limited, an associated entity of the Responsible Entity, at the end of the period. Refer to Note 5.

There were no other fees paid / payable to the Responsible Entity for the half-year ended 31 December 2024.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time for the half-year ended 31 December 2024.

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

12 Related Party Transactions (continued)

(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 former Manager.

The key management personnel of the former Manager for the period ended 4 November 2024 are:

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

Holding of units by the former Manager, key management personnel and their associated entities as at 4 November 2024 and 31 December 2023 were as follows:

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

31 December 2023		
Unit class	Units held	% of the class
Andrew Kerr	131,829	0.46%
Joe Christie	37,167	0.13%
	168,996	0.59%

No fees or remuneration was paid directly to the key management of the former Manager from the Fund for the half-year ended 31 December 2024 (2023: \$nil).

Investment management fees

Investment management fees of \$91,217 plus GST were incurred for the half-year ended 31 December 2024 (half-year ended 31 December 2023: \$148,290) of which \$91,217 plus GST (half-year ended 31 December 2023: \$24,292) was payable to former Manager at the end of the period. Refer to Note 5.

There were no other fees paid / payable to the former Manager for the half-year ended 31 December 2024.

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 half-year ended 31 December 2024.

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

13 Fair Value Measurement

Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Half-year ended 31 December 2024

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Investment property	-	-	46,524,738	46,524,738
Total assets	-	-	46,524,738	46,524,738

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 financial half-year.

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

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

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

13 Fair Value Measurement (continued)

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

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

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

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

Level 3 assets and liabilities

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

	31 December 2024	30 June 2024
	\$	\$
Investment property		
Opening balance	46,500,000	53,000,000
Unrealised fair value gain on investment property	(2,657)	(7,912,487)
Capital improvements	24,738	1,284,343
Deferred lease asset	30,109	23,457
Leasing fees	(27,452)	104,687
Total	46,524,738	46,500,000
	31 December 2024	30 June 2024
	\$	\$
Other investments		
Opening Balance	-	246,295
Disposal of other investments	-	(246,295)
Total	-	-

The level 3 assets and liabilities unobservable inputs and sensitivity 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
	Rental income		5% change would increase/(decrease) fair value by \$2,700,000/(\$2,700,000)

Diversified Property Fund (formerly CPF Diversified Property Fund)

Notes to the Financial Statements

13 Fair Value Measurement (continued)

Level 3 assets and liabilities (continued)

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 31 December 2024.

	<u>Percentage change in price increase/(decrease)</u>	<u>Effect on net profit and net assets attributable to members of the Fund</u>
Period ended 31 December 2024	+10%/(10%)	\$4,652,474/(\$4,652,474)
Year ended 30 June 2024	+10%/(10%)	\$4,650,000/(\$4,650,000)

14 Subsequent Events

There has been no matter or circumstance occurring subsequent to the half-year ended 31 December 2024 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.

15 Commitments and Contingencies

Consistent with the Fund's investment strategy, on 25 November 2022, the Fund entered into a contract to acquire a property located at 63 Pirie Street, Adelaide. 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).

Settlement was scheduled to occur in February 2023, however, the Fund had not raised sufficient investor equity to allow settlement to occur. The Fund has 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 the property. This litigation is expected to be complex, lengthy and, as with any proceedings, the outcome is uncertain.

In the meantime, the Responsible Entity will, when possible, seek to negotiate a settlement outcome with the Vendor. To the extent any settlement involves the payment of damages, the Responsible Entity will consider seeking judicial advice in respect of whether a portion of those damages can be paid from the Fund's assets.

Diversified Property Fund (formerly CPF Diversified Property Fund)

Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) the attached financial statements and notes set out on pages 6 to 20 comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes give a true and fair view of the Fund's financial position as at 31 December 2024 and of its performance for the half-year ended 31 December 2024; and
- (c) with reference to Note 4, 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

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
13 March 2025



INDEPENDENT REVIEW REPORT TO THE UNITHOLDERS OF DIVERSIFIED PROPERTY FUND

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Diversified Property Fund ("the Fund"), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matters that makes us believe that the accompanying half-year financial report of Diversified Property Fund does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 4 in the financial report, which indicates that legal action against the Fund by Raptis Properties Pty Ltd seeking orders, among others, requiring the Fund to compensate for damages in relation to failure to settle the acquisition of 63 Pirie Street, Adelaide. As stated in Note 4, this event, along with other matters as set forth in Note 4, 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 REVIEW REPORT TO THE UNITHOLDERS OF DIVERSIFIED PROPERTY FUND

Directors' Responsibilities for the Half-Year Financial Report

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

Auditor's Responsibilities

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the financial position of the Fund as at 31 December 2024 and its performance and its cash flows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Dated at Sydney on the 13th of March 2025



ESV Business advice and accounting



Hemant Nisar
Client Director