

Australian Unity Specialist Disability Accommodation Fund

ARSN 651 885 415

**Annual report
for the year ended 30 June 2025**

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Directors' report

The directors of Australian Unity Funds Management Limited (ABN 60 071 497 115), the Responsible Entity of Australian Unity Specialist Disability Accommodation Fund ("the Scheme"), present their report together with the financial statements of the Scheme for the year ended 30 June 2025 and the auditor's report thereon.

Directors

The following persons were directors of the Responsible Entity during the whole of the year and up to the date of this report (unless otherwise stated):

Adam Vise, Group Executive Wealth & Capital Markets (Acting) (Appointed 29 August 2025)
Darren Mann, Group Executive, Finance & Strategy and Chief Financial Officer
Esther Kerr, Group Executive, Wealth & Capital Markets (Resigned 29 August 2025)
Rohan Mead, Chairman and Group Managing Director

Principal activities

The Scheme aims to deliver stable distributions to investors with the potential for capital growth by investing in residential properties which are suitable for people with disabilities.

The Scheme's primary source of income is derived from registered Specialist Disability Accommodation ("SDA") Providers ("the Property Operators"). The Property Operators generally receive rental revenue from the National Disability Insurance Agency and Reasonable Rent Contribution out of funds received through other Government programs. These payments are made either by, or on behalf of, people with disabilities who qualify for National Disability Insurance Scheme SDA funding and/or other support payments. The Property Operators pass through these rental payments to the Fund after deducting their fees and other expenses.

Review and results of operations

Property acquisitions

On 30 September 2024, the Scheme completed the purchase of 43 Civic Way, Rouse Hill NSW 2155 for a purchase price of \$7,193,000 and acquisition costs of \$819,000.

On 17 January 2025, the Scheme completed the purchase of 163-167 Marine Parade Southport QLD for a purchase price of \$7,363,500 and acquisition costs of \$820,000.

Property Disposal

On 18 June 2025, the Scheme exchanged a contracts to sell 536 Gympie Road Strathpine QLD. Settlement occurred on 11 July 2025 for \$1,000,000, excluding selling costs.

Property valuations

The current year revaluations were in total greater than the revalued properties carrying values resulting in a fair value gain of \$3,294,000 (30 June 2024: gain of \$6,302,785).

Results

For the year, the Scheme's units posted a total return of 5.97% (split between a distribution return of 3.35% and a growth return of 2.62%)*.

Unit price (ex distribution) as at 30 June 2025 was \$1.2558 (2024: \$1.2237)*.

*The reported performance numbers and reported unit prices (which are not audited) have been derived based on the declared unit prices calculated in accordance with the Responsible Entity's unit pricing policy, and are not based on the net assets of these IFRS compliant financial statements.

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

Australian Unity Specialist Disability Accommodation Fund
Directors' report
30 June 2025
(continued)

Review and results of operations (continued)
Results (continued)

| | 2025 | | | |
|-------------------------------|---------------------|---------------|---------------------|------------|
| | \$'000 | 2024 | \$'000 | |
| Profit for the year | 7,188 | | 7,736 | |
| Distribution paid and payable | 4,285 | | 2,793 | |
| | 30 June 2025 | | 30 June 2024 | |
| | \$'000 | CPU | \$'000 | CPU |
| Distributions | | | | |
| 30 September | 429 | 0.4287 | 478 | 0.5439 |
| 31 December | 1,218 | 1.1739 | 522 | 0.5790 |
| 31 March | 1,203 | 1.1522 | 905 | 0.9478 |
| 30 June (payable) | 1,435 | 1.2981 | 888 | 0.9087 |
| | 4,285 | | 2,793 | |

Significant changes in the state of affairs

In the opinion of the directors of the Responsible Entity, there were no significant changes in the state of affairs of the Scheme that occurred during the year, except those mentioned elsewhere in the report.

Events occurring after end of the year

Esther Kerr resigned as a director of the Responsible Entity on 29 August 2025.

Adam Vise was appointed as a director of the Responsible Entity on 29 August 2025.

On 18 June 2025, the Scheme exchanged a contract to sell 536 Gympie Road Strathpine QLD. Settlement occurred on 11 July 2025 for \$1,000,000, excluding selling costs.

Other than the above, the directors of the Responsible Entity are not aware of any other matter or circumstance arising since 30 June 2025 which has significantly affected or may significantly affect the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2025 or on the results and cash flows of the Scheme for the year ended on that date.

Likely developments and expected results of operations

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Constitution.

Further information on likely developments in the operations of the Scheme and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Scheme.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of Australian Unity Funds Management Limited or the auditors of the Scheme. So long as the officers of Australian Unity Funds Management Limited act in accordance with the Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

Fees paid to and interests held in the Scheme by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Scheme property during the year are disclosed in note 17 to the financial statements.

No fees were paid by the Scheme to the directors of the Responsible Entity during the year.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the year are disclosed in note 17 to the financial statements.

Units in the Scheme

The movement in units on issue in the Scheme during the year is disclosed in note 8 to the financial statements.

The value of the Scheme's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

The property operations of the Scheme are subject to environmental regulations under Australian law. There have been no known reportable breaches of these regulations.

Rounding of amounts

The Scheme is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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.

Signed in accordance with a resolution of the directors of Australian Unity Funds Management Limited.



Rohan Mead
Director



Darren Mann
Director

16 September 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Australian Unity Funds Management Limited as Responsible Entity for Australian Unity Specialist Disability Accommodation Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Unity Specialist Disability Accommodation Fund for the financial year ended 30 June 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

David Kells

Partner

Sydney

17 September 2025

Australian Unity Specialist Disability Accommodation Fund
Statement of comprehensive income
For the year ended 30 June 2025

Statement of comprehensive income

| | Notes | 2025 \$'000 | 2024 \$'000 |
|---|-------|----------------|----------------|
| Income | | | |
| Rental income | 4 | 11,121 | 6,782 |
| Property expenses | | <u>(1,588)</u> | <u>(1,276)</u> |
| Net property income | | 9,533 | 5,506 |
| | | | |
| Interest income | | 81 | 91 |
| Net fair value gain on investment properties | 12(b) | <u>3,294</u> | <u>6,302</u> |
| Total income net of property expenses | | 12,908 | 11,899 |
| | | | |
| Expenses | | | |
| Management fees | 17 | 1,469 | 1,142 |
| Borrowing costs | | 3,188 | 2,081 |
| Other expenses | 7 | <u>1,063</u> | <u>940</u> |
| Total expenses, excluding property expenses | | 5,720 | 4,163 |
| | | | |
| Profit for the year | | <u>7,188</u> | <u>7,736</u> |
| | | | |
| Total comprehensive income attributable to unitholders | | <u>7,188</u> | <u>7,736</u> |

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Australian Unity Specialist Disability Accommodation Fund
Statement of financial position
As at 30 June 2025

Statement of financial position

| | Notes | 2025 \$'000 | 2024 \$'000 |
|--|-------|----------------|----------------|
| Assets | | | |
| Cash at bank | | 3,236 | 1,040 |
| Receivables | 10 | 8,055 | 960 |
| Other assets | 11 | 2,464 | 4,341 |
| Property held for sale | 12(c) | 1,000 | 650 |
| Investment properties | 12 | <u>197,222</u> | <u>159,151</u> |
| Total assets | | <u>211,977</u> | <u>166,142</u> |
| Liabilities | | | |
| Distributions payable | 9 | 1,435 | 888 |
| Payables | 13 | 994 | 681 |
| Borrowings | 14 | <u>70,849</u> | <u>45,689</u> |
| Total liabilities | | <u>73,278</u> | <u>47,258</u> |
| Net assets attributable to unitholders - equity | 8 | <u>138,699</u> | <u>118,884</u> |

The above statement of financial position should be read in conjunction with the accompanying notes.

Australian Unity Specialist Disability Accommodation Fund
Statement of changes in net assets attributable to unitholders
For the year ended 30 June 2025

Statement of changes in net assets attributable to unitholders

| | 2025 | 2024 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Balance at the beginning of the year | 118,884 | 90,627 |
| Comprehensive income for the year | | |
| Profit for the year | <u>7,188</u> | <u>7,736</u> |
| Transactions with unitholders | | |
| Applications | 16,912 | 23,314 |
| Distributions paid and payable | (4,285) | (2,793) |
| Total transactions with unitholders | 12,627 | 20,521 |
| Balance at the end of the year | 138,699 | 118,884 |

The above statement of changes in net assets attributable to unitholders should be read in conjunction with the accompanying notes.

Australian Unity Specialist Disability Accommodation Fund
Statement of cash flows
For the year ended 30 June 2025

Statement of cash flows

| | 30 June 2025 | 30 June 2024 |
|---|-----------------|-----------------|
| Note | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Interest received | 81 | 91 |
| Rental income received | 9,426 | 7,471 |
| Payment to suppliers | <u>(3,968)</u> | <u>(3,532)</u> |
| Net cash inflow from operating activities | 18 5,539 | 4,030 |
| Cash flows from investing activities | | |
| Purchase of investment properties | (13,870) | (16,909) |
| Acquisition costs on purchase on investment properties | (824) | (1,343) |
| Payments for additions to owned investment properties | (17,893) | (16,252) |
| Payments for other assets | (558) | (2,493) |
| Proceeds from sale of investment property | <u>650</u> | <u>1,700</u> |
| Net cash outflow from investing activities | <u>(32,495)</u> | <u>(35,297)</u> |
| Cash flows from financing activities | | |
| Proceeds from applications by unitholders | 11,552 | 23,314 |
| Proceeds from borrowings | 25,210 | 43,853 |
| Repayment of borrowings | - | (30,813) |
| Borrowings costs paid | (3,795) | (2,187) |
| Distributions paid | (3,738) | (2,554) |
| Capital raising costs paid | <u>(77)</u> | <u>(168)</u> |
| Net cash inflow from financing activities | <u>29,152</u> | <u>31,445</u> |
| Net increase in cash and cash equivalents | 2,196 | 178 |
| Cash and cash equivalents at the beginning of the year | <u>1,040</u> | 862 |
| Cash and cash equivalents at the end of the year | <u>3,236</u> | <u>1,040</u> |

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

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1 General information

These financial statements cover Australian Unity Specialist Disability Accommodation Fund ("the Scheme") as an individual entity. The Scheme was established on 30 July 2019 and the expected investment term is 10 years from the commencement of operations of the Scheme.

The Responsible Entity of the Scheme is Australian Unity Funds Management Limited (ABN 60 071 497 115), a wholly owned subsidiary of Australian Unity Limited (ABN 23 087 648 888). The Responsible Entity's registered office is Level 15, 271 Spring Street, Melbourne, VIC 3000.

The Responsible Entity is incorporated and domiciled in Australia.

The financial statements are for the year 1 July 2024 to 30 June 2025.

The financial statements were authorised for issue by the directors of the Responsible Entity on 16 September 2025. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial statements comply with the International Financial Reporting Standards adopted by the International Accounting Standards board.

The statement of financial position is presented on liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within 12 months, except for investment properties, borrowings and net assets attributable to unitholders, where the amount expected to be recovered or settled within 12 months after the end of the year cannot be reliably determined.

(i) New accounting standards and amendments adopted by the Scheme

The Scheme has adopted AASB 2022-6 Amendments to Australian Accounting Standards -Non-current Liabilities with Covenants from 1 July 2024.

The amendments apply retrospectively. They require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

The application of these accounting standards did not have a material impact on the Scheme.

2 Basis of preparation (continued)

(ii) Accounting standards and amendments issued but not yet effective

A number of new accounting standards are effective for annual reporting periods beginning after 1 July 2024 and earlier application is permitted. However, the Scheme has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 will replace AASB 101 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Scheme is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Scheme's statement of comprehensive income, the statement of cash flows and the additional disclosures required for MPMs. The Scheme is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Scheme's consolidated financial statements.

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

3 Functional and presentation currency

Items included in the financial statements of each of the Scheme's operations are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the Scheme's functional and presentation currency.

The Scheme is an entity of the kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars.

4 Use of judgements and estimates

The preparation of the Scheme's financial statements requires it to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements are made by the Scheme in respect of the fair values of investment properties. These investments are reviewed regularly by reference to external independent property valuations and market conditions, using generally accepted market practices.

5 Rental income

The following table details the rental income earned by the Scheme during the year:

| | 2025 | 2024 |
|---------------------------------|---------------|--------|
| | \$'000 | \$'000 |
| Rental income | 11,531 | 7,004 |
| Amortisation of lease incentive | (410) | (222) |
| | 11,121 | 6,782 |

Rental income

Rental income is derived from registered Specialist Disability Accommodation ("SDA") Providers (the "Property Operators"). The Property Operators generally receive rental revenue from the National Disability Insurance Agency and other sources such as a Reasonable Rent Contribution. These payments are made either by, or on behalf of, people with disabilities who qualify for National Disability Insurance Scheme SDA funding and/or other support payments. The Property Operators pass through these rental payments to the Fund after deducting their fees and other expenses.

Rental income is recognised on a straight-line basis over the lease term for leases with fixed rent review clauses. The rental adjustments from straight-lining of rental income are disclosed in the financial statements for financial reporting presentation purposes only.

Contingent rentals, such as turnover rent and market rent adjustments, are recognised as rental income in the financial reporting year in which they are earned.

Lease incentives

Incentives such as cash, rent-free periods, lessee or lessor owned fitouts may be provided to lessees to enter into an operating lease. These incentives are capitalised and are amortised on a straight-line basis over the term of the lease as a reduction of rental income or as property expenses. The carrying amount of the lease incentives is reflected in the carrying value of investment properties.

6 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Scheme:

| | 2025 | 2024 |
|-------------------------------|---------------|--------|
| | \$ | \$ |
| <i>Audit services - KPMG</i> | | |
| Audit of financial statements | 32,361 | 28,953 |
| Audit of compliance plan | 3,000 | 3,000 |
| | 35,361 | 31,953 |

7 Other expense

| | 2025 | 2024 |
|----------------------|---------------|--------|
| | \$'000 | \$'000 |
| Termination Fees | 170 | 3 |
| Administration fees | 507 | 500 |
| Disposal costs | 42 | 65 |
| Capital raising fees | 89 | 179 |
| Valuation Fees | 255 | 193 |
| | 1,063 | 940 |

8 Net assets attributable to unitholders

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

| | 2025 | 2024 | 2025 | 2024 |
|-----------------|-----------------|----------|----------------|---------|
| | No. '000 | No. '000 | \$'000 | \$'000 |
| Opening balance | 97,354 | 78,209 | 105,494 | 82,180 |
| Applications | 13,165 | 19,145 | 16,912 | 23,314 |
| Closing balance | 110,519 | 97,354 | 122,406 | 105,494 |

Undistributed income

| | | |
|--|----------------|---------|
| Opening balance | 13,390 | 8,447 |
| Increase in net assets attributable to unitholders | 2,903 | 4,943 |
| Closing balance | 16,293 | 13,390 |
| | 138,699 | 118,884 |

The Scheme will not be liquid. The investment term is expected to be ten years from the commencement of operations.

The Scheme classifies the net assets attributable to unitholders as equity as 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 Scheme'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 instruments, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Scheme, and it is not a contract settled in the Scheme'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.

Applications

Applications received for units in the Scheme are recorded net of any entry fees payable prior to the issue of units in the Scheme. Redemptions from the Scheme are recorded gross of any exit fees payable after the cancellation of units redeemed.

8 Net assets attributable to unitholders (continued)

Capital risk management

At balance date, the Fund is illiquid and the Responsible Entity does not intend to offer a liquidity facility during the 10-year term.

9 Distributions to unitholders

In accordance with the Constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment.

The distributions for the year were as follows:

| | 30 June 2025 | | 30 June 2024 | |
|----------------------|--------------|--------|--------------|--------|
| | \$'000 | CPU | \$'000 | CPU |
| Distributions | | | | |
| 30 September | 429 | 0.4287 | 478 | 0.5439 |
| 31 December | 1,218 | 1.1739 | 522 | 0.5790 |
| 31 March | 1,203 | 1.1522 | 905 | 0.9478 |
| 30 June (payable) | 1,435 | 1.2981 | 888 | 0.9087 |
| | 4,285 | | 2,793 | |

In accordance with the Constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment.

The distribution amount payable to unitholders as at the end of each year is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income under the Constitution.

10 Receivables

| | 2025 | 2024 |
|-------------------------|--------------|------------|
| | \$'000 | \$'000 |
| Trade receivables | 2,618 | 887 |
| Applications receivable | 5,360 | - |
| Other receivables | 77 | 73 |
| | 8,055 | 960 |

Receivables includes amounts for trust distributions, interest and rental income arrears payable by the National Disability Insurance Agency (NDIA). Trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each year from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

10 Receivables (continued)

Trade and Other Receivable

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for expected credit losses. Trade receivables are required to be settled within 30 days and are assessed on an ongoing basis for impairment. Receivables which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for expected credit losses is recognised for expected credit losses on trade and other receivables. The provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial.

Rent not received at the end of the year is reflected in the statement of financial position as a receivable or if paid in advance, as a liability.

Application Receivable

Applications receivable includes amounts received by the Scheme's registry provider from investors that haven't been remitted to the Scheme by the reporting date.

11 Other assets

| | 2025 | 2024 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Deposits paid for investment properties | 2,464 | 4,341 |
| | 2,464 | 4,341 |

12 Investment properties

(a) Property details

| | Type | Ownership (%) | Acquisition date | Independent valuation date | Independent valuation amount \$'000 | Independent Valuer | Carrying value 2025 \$'000 | Carrying value 2024 \$'000 |
|---|---------------------------------|------------------|---------------------|-------------------------------|--|-----------------------|----------------------------------|----------------------------------|
| 15 Everage Street Moonee Ponds VIC | Residential Apartment | 100 | 03/12/2020 | 08/07/2024 | 11,300 | JLL | 11,401 | 10,680 |
| 142 Albany Road Point Frederick NSW | Residential Apartment | 100 | 12/01/2024 | 18/03/2025 | 11,000 | M3 | 11,000 | 11,012 |
| 27 Russell Street Essendon VIC | Residential Apartment | 100 | 23/08/2023 | 20/09/2024 | 10,800 | M3 | 10,870 | 10,861 |
| 163-167 Marine Parade Southport QLD | Residential Apartment | 100 | 17/01/2025 | 05/02/2025 | 10,250 | M3 | 10,669 | - |
| 43 Civic Way Rouse Hill NSW | Residential Apartment | 100 | 30/09/2024 | 23/10/2024 | 10,050 | M3 | 10,474 | - |
| 69 Kittyhawk Drive Chermside QLD | Residential Apartment | 100 | 17/05/2022 | 13/06/2025 | 9,890 | JLL | 9,890 | 9,870 |
| 82 La Scala Avenue Maribyrnong VIC | Residential Apartment | 100 | 23/05/2023 | 20/09/2024 | 8,890 | M3 | 8,911 | 9,080 |
| 4 Henshall Way Macquarie ACT | Residential Apartment | 100 | 12/08/2022 | 26/05/2025 | 8,900 | M3 | 8,900 | 9,734 |
| 9-15 David Street Richmond VIC | Residential Apartment | 100 | 09/04/2020 | 13/12/2024 | 8,675 | JLL | 8,676 | 8,251 |
| 15-17 Maude Street Cheltenham VIC | Residential Apartment | 100 | 09/04/2020 | 13/12/2024 | 8,400 | JLL | 8,402 | 8,125 |
| 25-33 Grimshaw Street Greensborough VIC | Residential Apartment | 100 | 09/04/2020 | 13/12/2024 | 8,150 | JLL | 8,155 | 7,542 |
| 8-10 Bond Street Ringwood VIC | Residential Apartment | 100 | 07/10/2022 | 21/10/2024 | 7,200 | JLL | 7,206 | 7,310 |
| 38 Clark Street Williams Landing VIC | Residential Apartment | 100 | 28/07/2022 | 19/08/2024 | 6,150 | CBRE | 6,281 | 6,852 |
| 12 Wallaby Street Nundah QLD | Land held for development | 100 | 14/05/2021 | 10/05/2021 | 935 | M3 | 4,784 | 1,864 |
| 26-30 Olympic Court Eagleby QLD | Villa | 100 | 14/05/2021 | 08/04/2025 | 4,500 | JLL | 4,589 | 2,046 |
| 13 Leichardt Street St James WA** | Residential House | 100 | 28/07/2022 | - | Transaction | | 3,700 | 1,665 |
| 23 McConaghy Street Mitchelton QLD** | Residential House | 100 | 24/05/2021 | 10/05/2021 | 910 | M3 | 3,480 | 1,734 |
| 17 Dallington Crescen Balga WA | Residential House | 100 | 16/06/2022 | 29/04/2025 | 3,100 | JLL | 3,100 | 2,004 |
| 217 Albert Street Osborne Park WA | Residential House | 100 | 24/06/2022 | 29/04/2025 | 3,100 | JLL | 3,100 | 2,614 |
| 90 Norwood Road Rivervale WA | Residential House | 100 | 28/07/2022 | 29/04/2025 | 3,075 | JLL | 3,075 | 2,534 |
| 22 Presentation Boulevard Winter Valley VIC | Villa | 100 | 06/07/2023 | 08/07/2024 | 2,990 | M3 | 3,068 | 3,004 |
| 25 Rogers Street Pakenham VIC | Villa | 100 | 18/07/2022 | 14/03/2025 | 2,950 | M3 | 2,959 | 2,428 |
| 12 Berry Street Wilsonton QLD** | Villa | 100 | 05/11/2021 | 08/07/2024 | 2,340 | M3 | 2,300 | 2,421 |
| 2 Fuchsia Court Norman Gardens QLD | Residential House | 100 | 09/05/2022 | 12/02/2025 | 2,300 | M3 | 2,300 | 2,337 |
| 97 Kitchener Street Broadmeadows VIC | Villa | 100 | 09/05/2022 | 25/11/2024 | 2,220 | M3 | 2,248 | 2,078 |

12 Investment properties (continued)

(a) Property details (continued)

| | Type | Ownership (%) | Acquisition date | Independent valuation date | Independent valuation amount \$'000 | Independent Valuer | Carrying value 2025 \$'000 | Carrying value 2024 \$'000 |
|---|---------------------------|------------------|---------------------|-------------------------------|--|-----------------------|----------------------------------|----------------------------------|
| 15 Gilchrist Street Shepparton VIC | Villa | 100 | 01/05/2024 | 20/05/2025 | 1,990 | M3 | 1,990 | 1,960 |
| 134 Spencer Street Sebastopol VIC | Residential House | 100 | 14/06/2022 | 17/04/2025 | 1,880 | M3 | 1,928 | 818 |
| 2a Roseneath Street Maryborough QLD | Group Home | 100 | 09/05/2022 | 12/02/2025 | 1,900 | M3 | 1,900 | 1,937 |
| 27 Bufflehead Road Kirkwood QLD | Residential House | 100 | 09/05/2022 | 12/02/2025 | 1,800 | M3 | 1,800 | 1,825 |
| 2 Wellwood Avenue Norlane VIC | Residential House | 100 | 17/05/2022 | 25/11/2024 | 1,780 | M3 | 1,798 | 1,471 |
| 5 Fuchsia Court Norman Gardens QLD | Residential House | 100 | 09/05/2022 | 12/02/2025 | 1,750 | M3 | 1,750 | 1,723 |
| 26 Evelyn Avenue Cranbourne VIC | Residential House | 100 | 30/06/2022 | 14/03/2025 | 1,725 | M3 | 1,731 | 1,022 |
| 36 Mootwingee Crescent Shepparton North VIC | Residential House | 100 | 16/05/2024 | 20/05/2025 | 1,660 | M3 | 1,660 | 1,660 |
| 144 Exeter Street Torquay QLD | Group Home | 100 | 16/08/2021 | 20/08/2024 | 1,650 | JLL | 1,650 | 1,500 |
| 54 Nelson Street California Gully VIC | Residential House | 100 | 16/08/2022 | 17/04/2025 | 1,600 | M3 | 1,618 | 1,008 |
| 58 Geoff Wilson Drive Norman Gardensn QLD | Residential House | 100 | 16/08/2021 | 19/08/2024 | 1,590 | JLL | 1,590 | 1,425 |
| 10 Bruce Drive Sebastopol VIC | Residential House | 100 | 01/08/2022 | 25/11/2024 | 1,520 | M3 | 1,580 | 1,288 |
| 24 Birchington Street Beckenham WA | Land held for development | 100 | 17/08/2022 | - | Transaction | - | 1,571 | 696 |
| 132 Grant Street Sebastopol VIC | Residential House | 100 | 17/08/2022 | 25/11/2024 | 1,520 | M3 | 1,546 | 1,260 |
| 6 Waratah Grove Wendouree VIC | Residential House | 100 | 14/06/2022 | 25/11/2024 | 1,510 | M3 | 1,528 | 1,223 |
| 6 Master Drive Winter Valley VIC | Residential House | 100 | 01/06/2023 | 08/07/2024 | 1,460 | M3 | 1,517 | 1,538 |
| 1 Navigators Road Warrenheip VIC | Land held for development | 100 | 14/12/2022 | - | Transaction | - | 1,405 | 1,351 |
| 34a Woodlands Way Parkwood QLD | Land held for development | 100 | 17/12/2021 | - | Transaction | - | 1,363 | 1,256 |
| 177B Torquay Road Scarness QLD | Villa | 100 | 09/05/2022 | 12/02/2025 | 1,320 | M3 | 1,320 | 1,352 |
| 166 McCarthy Road Avenell Heights QLD | Residential House | 100 | 16/08/2021 | 19/08/2024 | 1,300 | JLL | 1,300 | 1,175 |
| 7 Rita Court Urangin QLD | Residential House | 100 | 14/10/2023 | 20/08/2024 | 1,160 | JLL | 1,160 | 1,100 |
| 475 Napier Street White Hills VIC | Land held for development | 100 | 10/02/2022 | - | Transaction | - | 1,115 | 1,071 |
| 74 Geoff Wilson Drive Norman Gardensn QLD | Residential House | 100 | 16/08/2021 | 19/08/2024 | 1,110 | JLL | 1,110 | 1,000 |
| 536 Gympie Road Strathpine QLD | Sold in July 25 | 100 | 04/05/2021 | 10/05/2021 | 885 | M3 | 1,000 | 1,220 |

12 Investment properties (continued)

(a) Property details (continued)

| | Type | Ownership | Acquisition date | Independent valuation date | Independent valuation amount | Independent Valuer | Carrying value 2025 | Carrying value 2024 |
|---------------------------------------|---------------------------|-----------|------------------|----------------------------|------------------------------|--------------------|---------------------|---------------------|
| | | (%) | | | \$'000 | | \$'000 | \$'000 |
| 164 McCarthy Road Avenell Heights QLD | Residential House | 100 | 09/04/2020 | 19/08/2024 | 950 | JLL | 950 | 850 |
| 3 Bunya Close, Rainforest Rise QLD | Land held for development | 100 | 24/02/2022 | - | Transaction | - | 402 | 298 |
| 7 Bunya Close, Rainforest Rise QLD | Land held for development | 100 | 24/02/2022 | - | Transaction | - | 402 | 298 |
| Total | | | | | | | 198,222 | 159,801 |
| Less: Properties held for sale | | | | | | | (1,000) | (650) |
| Total investment properties | | | | | | | 197,222 | 159,151 |

**Independent valuation were obtained after the balance date that support the carrying values adopted by management at 30 June 2025.

Investment properties include residential apartments, residential houses, villas, group homes and land held for development. The carrying value of an investment property may vary from the most recent independent valuation of the property (as set out in the table above) due to capital expenditure and capitalisation of leasing commissions and lease incentives during the current period. Land held for development is held at cost until completion at which time it is independently valued. 15 assets completed development during the year and have subsequently been independently valued.

Where the carrying value is not supported by an independent valuation at the balance date, the carrying value at the reporting date reflects the directors of the Responsible Entity's best estimate of the fair value of each property based on internal valuations.

Initially investment properties are measured at the cost of acquisition subsequent to initial recognition.

Investment properties are stated at fair value being the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. In accordance with the investment property valuations policy approved by the Board, independent valuations of investment properties are obtained from suitably qualified valuers once in any 12 month period from the date of the last valuation or in exceptional circumstances once in a financial year or calendar year as determined necessary; or as soon as practicable, but not later than within two months after the directors of the Responsible Entity form a view that there is reason to believe that the fair value of the investment property is materially different from its current carrying value.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount because the Scheme does not expect to be ultimately liable for capital gains tax in respect of the assets.

Gains or losses arising from changes in the fair value of investment properties are included in the statement of comprehensive income in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the statement of comprehensive income in the year of derecognition.

Expenditure capitalised to properties includes the cost of acquisition, capital and refurbishment additions, lease commissions and incentives (excluding abatements which are expensed), related professional fees incurred and other directly attributable transaction costs.

12 Investment properties (continued)

(b) Movements in carrying amount

| | 2025 \$'000 | 2024 \$'000 |
|--|----------------|----------------|
| Opening balance | 159,151 | 113,646 |
| Acquisitions | 16,195 | 22,289 |
| Additions | 18,405 | 13,801 |
| Reclassified as properties held for sale | (1,000) | (650) |
| Change in fair value | 3,294 | 6,352 |
| Incentives | (22) | 3,099 |
| Capitalised borrowing costs | 1,199 | 594 |
| Leasing Commission | - | 20 |
| Closing balance | <u>197,222</u> | <u>159,151</u> |

Acquisitions

On 30 September 2024, the Scheme completed the purchase of 43 Civic Way, Rouse Hill NSW 2155 for a purchase price of \$7,193,000 and acquisition costs of \$819,000.

On 17 January 2025, the Scheme completed the purchase of 163-167 Marine Parade Southport QLD for a purchase price of \$7,363,500 and acquisition costs of \$820,000.

(c) Movements in properties held for sale

| | 2025 \$'000 | 2024 \$'000 |
|------------------------|----------------|----------------|
| Opening balance | 650 | 1,750 |
| Additions | 1,000 | 650 |
| Change in fair value | - | (50) |
| Disposal | (650) | (1,700) |
| Closing balance | <u>1,000</u> | <u>650</u> |

On 18 June 2025, the Scheme exchanged a contracts to sell 536 Gympie Road Strathpine QLD. Settlement occurred on 11 July 2025 for \$1,000,000, excluding selling costs.

(d) Leasing arrangements

Leasing costs

Lease costs are costs that are directly associated with negotiating and arranging an operating lease (including commissions, legal fees and costs of preparing and processing documentation for new leases). These costs are capitalised and are amortised on a straight-line basis over the term of the lease as property expenses. The carrying amount of the leasing cost is reflected in the carrying value of investment properties.

12 Investment properties (continued)

(d) Contractual obligations (continued)

Property leases

The scheme leases properties to SDA Providers which sub let properties to NDIS SDA Participants. The NDIA pays the SDA Subsidy to the SDA Provider on condition that the property is occupied by a Participant. Participant occupancy is not contracted such that these amounts are not included as non cancellable leases. The Scheme also has arranged a lesser amount of fixed head leases with SDA Providers which are considered non cancellable leases.

Ignoring indexing and proposed future fixed head leases for property not yet owned or complete, the future minimum lease payments receivable under non cancellable lease commitments are:

| | 2025 \$'000 | 2024 \$'000 |
|--|----------------|----------------|
| Within one year | 4,179 | 2,890 |
| Later than one year but not later than 5 years | 16,717 | 11,560 |
| Later than 5 years | 10,693 | 13,321 |
| | <u>31,589</u> | <u>27,771</u> |

(e) Contractual obligations

Capital expenditure contracted for at the reporting date but not recognised as liabilities:

| | 30 June 2025 \$'000 | 30 June 2024 \$'000 |
|-----------------|---------------------------|---------------------------|
| Within one year | 20,168 | 24,615 |
| | <u>20,168</u> | <u>24,615</u> |

The Scheme's share of capital commitments will be funded using the Scheme's cash and cash equivalents and debt facility.

13 Payables

| | 2025 \$'000 | 2024 \$'000 |
|-------------------------|----------------|----------------|
| Trade payables | 224 | 101 |
| Accrued expenses | 590 | 475 |
| Management fees payable | 131 | 105 |
| Accrued borrowing costs | 49 | - |
| | <u>994</u> | <u>681</u> |

Trade Payables & Accrued Expense

Payables include liabilities and accrued expenses owing by the Scheme which are unpaid as at the end of the year. These payables, which are generally settled on 30-90 day terms and are unsecured, are carried at amortised cost.

13 Payables (continued)

Liabilities for trade creditors are carried at original invoice amount which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Scheme.

Payables to related parties are recognised and carried at the nominal amount due. They are carried at the nominal amount due to the short term nature of the payable. Borrowing costs are taken up as an expense on an accrual basis.

14 Borrowings

| | 2025 | 2024 |
|-----------------------------|---------------|--------|
| | \$'000 | \$'000 |
| Bank loan | 70,970 | 45,760 |
| Unamortised borrowing costs | (121) | (71) |
| | 70,849 | 45,689 |

The loan is secured by a registered first mortgage over the Scheme's properties and a General Security Agreement over the Scheme and is non-recourse to unitholders. On 26 June 2025 the scheme entered into a new facility for \$95,000,000 expiring on 25 June 2028.

The Scheme's existing secured bank loan was subject to various financial covenants including a loan to value ratio and serviceability ratio that was required to be complied with at all times, and an interest cover ratio that was required to be complied with each quarter. The Scheme complied with these covenants during the year up until the refinancing. The new facility is subject to a loan to value ratio that must be complied with at all times and an interest cover ratio that must be complied with every six months. On 26 June 2025 the scheme entered into a new facility for \$95,000,000 expiring on 25 June 2028. The Scheme complied with these covenants at year end, and expects to comply with the covenants within 12 months after the reporting date.

The Scheme had access to:

| | 2025 | 2024 |
|--------------------------|-----------------|----------|
| | \$'000 | \$'000 |
| Credit facilities | | |
| Cash advance facilities | 95,000 | 75,000 |
| Drawn balance | (70,970) | (45,760) |
| Undrawn balance | 24,030 | 29,240 |

| | 2025 | 2024 |
|--|----------------|---------|
| | \$'000 | \$'000 |
| Analysis of changes in net debt | | |
| Opening balance | 44,720 | 31,858 |
| Net proceeds from borrowings | 25,210 | 13,040 |
| Other cash movements | (2,196) | (178) |
| Closing balance | 67,734 | 44,720 |
| Bank loan | 70,970 | 45,760 |
| Cash and cash equivalents | (3,236) | (1,040) |
| Net debt | 67,734 | 44,720 |

14 Borrowings (continued)

| | Loans and borrowings \$'000 | Unitholder Capital \$'000 | Total \$'000 |
|--|--------------------------------|------------------------------|-----------------|
| Balance at 1 July 2024 | 45,689 | 118,884 | 164,573 |
| Changes from Financing cash flows | | | |
| Proceeds from issue of units | | 11,552 | 11,552 |
| Proceeds from loans and borrowing | 25,210 | | 25,210 |
| Distribution paid | | (3,738) | (3,738) |
| Borrowing costs paid | (3,795) | | (3,795) |
| Capital Raising cost | | (77) | (77) |
| Total changes from financing cash flows | 21,415 | 7,737 | 29,152 |
| Changes in fair value | | | |
| Liability related | | | |
| Borrowing costs expense | 3,188 | | 3,188 |
| Movement in borrowing costs payable | 557 | | 557 |
| Total liability related other changes | 3,745 | | 3,745 |
| Total equity related other changes | | 12,078 | 12,078 |
| Balance at 30 June 2025 | 70,849 | 138,699 | 209,548 |

14 Borrowings (continued)

| | Loans and borrowings \$'000 | Unitholder Capital \$'000 | Total \$'000 |
|--|--------------------------------|------------------------------|-----------------|
| Balance at 1 July 2023 | 32647 | 90627 | 123274 |
| Changes from Financing cash flows | | | |
| Proceeds from issue of units | | 23,314 | 23,314 |
| Proceeds from loans and borrowing | 43,853 | | 43,853 |
| Repayments of loans and borrowing | (30,813) | | (30,813) |
| Distribution paid | | (2,554) | (2,554) |
| Borrowing costs paid | (2,187) | | (2,187) |
| Capital Raising cost | | (168) | (168) |
| Total changes from financing cash flows | 10,853 | 20,592 | 31,445 |
| Changes in fair value | | | |
| Liability related | | | |
| Borrowing costs expense | 2,081 | | 2,081 |
| Movement in borrowing costs payable | 108 | | 108 |
| Total liability related other changes | 2,189 | | 2,189 |
| Total equity related other changes | | 7,665 | 7,665 |
| Balance at 30 June 2024 | 45,689 | 118,884 | 164,573 |

14 Borrowings (continued)

All loans are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with borrowings.

After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains and losses are recognised in the statement of comprehensive income when liabilities are derecognised or impaired.

15 Financial risk management

(a) Objectives, strategies, policies and processes

The Scheme's activities expose it to a variety of financial risks: market risk, interest rate risk and liquidity risk.

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's disclosure documents and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed. Financial risk management is carried out by the Fund Manager under policies approved by the Board of Directors of the Responsible Entity ("the Board").

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates for credit risk.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Scheme's direct investments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme is exposed to interest rate risk predominantly through borrowings. The Fund does not currently use interest rate swaps to mitigate interest rate risk. Management regularly review this risk and should they see fit, will implement appropriate strategies to manage it.

| | 2025 \$'000 | 2024 \$'000 |
|---------------------------|------------------------|------------------------|
| Floating rate | | |
| Cash and cash equivalents | 3,236 | 1,040 |
| Borrowings* | <u>(70,970)</u> | <u>(45,413)</u> |
| | (67,734) | (44,373) |
| Net exposure | <u>(67,734)</u> | <u>(44,373)</u> |

* Represents the notional principal amounts.

The table below demonstrates the sensitivity to reasonably possible changes in year end interest rates, with all other variables held constant. A negative amount in the table reflects a potential net reduction in profit and net assets attributable to unitholders, while a positive amount reflects a potential net increase.

| | Impact on profit and net assets attributable to unitholders | |
|--------------------------------------|--|----------------|
| | 2025 \$'000 | 2024 \$'000 |
| Sensitivity | | |
| Interest rate + 1.03% (2024: +0.76%) | (698) | (340) |
| Interest rate - 1.03% (2024: -0.76%) | 698 | 340 |

15 Financial risk management (continued)

(b) Market risk (continued)

(i) *Interest rate risk (continued)*

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Scheme to make a financial loss. The Scheme has exposure to credit risk on all of its financial assets included in the Scheme's statement of financial position.

The Scheme manages this risk by performing credit reviews of prospective tenants, obtaining tenant collateral where appropriate and performing detailed reviews on tenant arrears. The Scheme reviews the aggregate exposures of tenant debtors and tenancies across its portfolio.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Scheme is exposed to the applicable withdrawal offer put in place by the Responsible Entity. Under the terms of its Constitution, the Scheme has the ability to manage liquidity risk by reducing or ceasing distribution as well as withdrawals to unitholders, if necessary, until the funds are available to pay them. Withdrawal from the Scheme is currently not made available.

Maturities analysis of financial liabilities

The table below analyses the Scheme's financial liabilities into relevant maturity groupings based on the remaining period at the end of the year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Financial liabilities such as trade payables, where there are no specific contractual settlement dates, have been grouped into the 'less than 1 year' maturity grouping as such liabilities are typically settled within 30 days.

| | Less than 1 year \$'000 | 1-2 years \$'000 | 2-3 years \$'000 | 3+ years \$'000 |
|-----------------------------|-------------------------------|------------------------|------------------------|-----------------------|
| 2025 | | | | |
| Distributions payable | 1,435 | - | - | - |
| Payables | 994 | - | - | - |
| Borrowings | - | - | 70,970 | - |
| Total financial liabilities | <u>2,429</u> | <u>-</u> | <u>70,970</u> | <u>-</u> |

| | Less than 1 year \$'000 | 1-2 years \$'000 | 2-3 years \$'000 | 3+ years \$'000 |
|-----------------------------|-------------------------------|------------------------|------------------------|-----------------------|
| 2024 | | | | |
| Distributions payable | 888 | - | - | - |
| Payables | 681 | - | - | - |
| Borrowings | - | - | 45,760 | - |
| Total financial liabilities | <u>1,569</u> | <u>-</u> | <u>45,760</u> | <u>-</u> |

As disclosed above, the Scheme manages its liquidity risk by investing in liquid assets that it expects to be able to liquidate within seven days or less. Liquid assets include cash and cash equivalents. As at 30 June 2025, these assets amounted to \$3,236,000 (2024: \$1,040,000).

15 Financial risk management (continued)

(e) Estimation of fair values of financial assets and financial liabilities

The carrying amounts of the Scheme's assets and liabilities at the end of each year approximate their fair values.

The Scheme values its investment properties in accordance with the fair value methods set out in note 16.

16 Fair value hierarchy

The Scheme measures and recognises investment properties at fair value on a recurring basis.

(a) Fair value hierarchy

The Scheme is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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 (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Scheme's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

| 2025 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|-----------------------------|-------------------|-------------------|-------------------|-----------------|
| Non-financial assets | | | | |
| Investment properties | - | - | 197,222 | 197,222 |
| Properties held for sale | - | 1,000 | - | 1,000 |
| Total non-financial assets | - | 1,000 | 197,222 | 198,222 |
| | | | | |
| 2024 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
| Non-financial assets | | | | |
| Investment properties | - | - | 159,151 | 159,151 |
| Properties held for sale | - | 650 | - | 650 |
| Total non-financial assets | - | 650 | 159,151 | 159,801 |

The Scheme's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the year. There were no transfers between levels 1, 2 and 3 for fair value measurements during the year.

16 Fair value hierarchy (continued)

(b) Valuation techniques

(ii) Valuation Process

The investment property valuation policy is to have independent valuations conducted regularly, typically annually, to aid with the determination of the assets fair value. In determining the fair value of an investment property, the primary appropriate method of assessment is considered to be the discounted cash flow. This methodology involves formulating a projection of SDA cash flow for a term in length equal to that of the remaining secured funding and discounting this cash flow including the projected terminal value at the end of the projection period at an appropriate market-derived discount rate. The present value of this discounted cash flow provides a guide to the fair value of the property.

At each reporting date the appropriateness of those valuations is assessed by the Responsible Entity.

The stated fair value of each investment property at the end of the year represents the Responsible Entity's best estimate as at the end of the year. However, if an investment property is sold in the future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements if that differs from the valuation.

The fair value estimates for investment properties are included in level 3 as explained in section (c) below.

(c) Fair value measurements using significant unobservable input (level 3)

The changes in fair value of investment properties for the year are set out in note 12(b).

(i) Valuation inputs and relationship to fair value

The following are the key valuation assumptions used in the determination of the investment properties fair value using the discounted cash flows and income capitalisation valuation methodologies:

- Adopted discount rate - The rate of return to convert a monetary sum, payable or receivable in the future, into present value. Theoretically, it should reflect the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. This rate is determined with regards to market evidence.
- Vacancy Allowance - Vacancy allowance has been applied to the gross income, factored into the cash flow projection upon completion of the adopted letting up period.

| Valuation inputs | 2025 | 2024 |
|---------------------------|--------------|--------------|
| Adopted discount rate (%) | 7.75 - 9.5 | 7.50 - 8.50 |
| Adopted vacancy rate (%) | 5.00 - 13.50 | 5.00 - 12.00 |

(ii) Valuation processes

Independent valuations of investment properties are obtained from suitably qualified valuers generally at least once in any 12 month period from the date of the last valuation; or in exceptional circumstances once in a financial year or calendar year as determined necessary; or as soon as practicable, but not later than within two months after the directors of the Responsible Entity form a view that there is reason to believe that the fair value of the investment property is materially different from its current carrying value. Such valuations are reflected in note 12. Notwithstanding, the directors of the Responsible Entity determine the carrying value of each investment property at each reporting date to ensure that its carrying value does not materially differ from its fair value. Where the carrying value differs from fair value, that asset is adjusted to its fair value.

(iii) Sensitivity information

The table below details the movement in the fair value when each of the significant inputs either increase or decrease, with all other inputs remaining constant:

| Significant inputs | Fair value measurement sensitivity to significant increase in input | Fair value measurement sensitivity to significant decrease in input |
|---------------------------------|---|---|
| Adopted discount cash flow rate | Decrease | Increase |
| Adopted vacancy rate by income | Decrease | Increase |

16 Fair value hierarchy (continued)

(d) Fair value of other financial instruments

Due to their short-term nature, the carrying amounts of the receivables and payables are assumed to approximate their fair values.

17 Related party transactions

Responsible Entity

The Responsible Entity of Australian Unity Specialist Disability Accommodation Fund is Australian Unity Funds Management Limited (ABN 60 071 497 115).

Key management personnel

(a) Directors

Key management personnel includes persons who were directors of Australian Unity Funds Management Limited at any time during the year as follows:

Adam Vise, Group Executive Wealth & Capital Markets (Acting) (Appointed 29 August 2025)
Darren Mann, Group Executive, Finance & Strategy and Chief Financial Officer
Esther Kerr, Group Executive, Wealth & Capital Markets (Resigned 29 August 2025)
Rohan Mead, Chairman and Group Managing Director

The Directors are compensated by Australian Unity Funds Management Limited, which charges a management fee to the Scheme. Refer below.

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Scheme, directly or indirectly during the period.

Other transactions within the Scheme

From time to time directors of Australian Unity Funds Management Limited, or their director related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme unitholders.

Management fees and other transactions

The Responsible Entity is entitled to receive management fees calculated monthly at 0.70% per annum of the gross asset value of the Scheme.

Should the Scheme meet certain criteria, the Responsible Entity will be entitled to a performance fee. The performance fee will be equal to 20% of the portion of the outperformance of the Scheme over an internal rate of return (IRR) of 10.00% per annum. Performance fees as at 30 June 2025 Nil (2024: Nil) The IRR is the annualised, compound rate of return received by the unitholders taking into account all income and capital cash flows over the term of the investment.

Administration expenses incurred in the day to day running of the Scheme are reimbursed in accordance with the Constitution.

Australian Unity Property Management Pty Ltd (a related party of the Responsible Entity) (ABN 76 073 590 600) is entitled to receive an acquisition fee of up to 0.75% of the value of any assets acquired by the Scheme, payable upon settlement of the acquisition.

Australian Unity Property Management Pty Ltd is entitled to receive a fee of up to 0.75% of the value of any equity called, and 0.35% of any debt facilities established by the Scheme.

The transactions during the year and amount payable at 30 June 2025 between the Scheme and the Responsible Entity were as follows:

17 Related party transactions (continued)

Management fees and other transactions (continued)

| | 2025 | 2024 |
|--|----------------|-----------|
| | \$ | \$ |
| Management fees for the period paid/payable by the Scheme to the Responsible Entity | 1,469,197 | 1,142,010 |
| Administration expenses incurred by the Responsible Entity which are reimbursed in accordance with the Constitution | 456,343 | 418,310 |
| Capital raising fees for the year paid/payable by the Scheme to the Responsible Entity | 88,760 | 179,210 |
| Acquisition fees for the year paid/payable by the Scheme to the Responsible Entity | 97,692 | 190,716 |
| Aggregate amounts payable to the Responsible Entity at the end of the year | 359,876 | 454,154 |
| Fees incurred by the Scheme for the provision of key management personnel services are included in the management fee paid to the Responsible Entity | | |

(a) Other related party transactions

Australian Unity Property Management Pty Ltd has been appointed to provide a number of property related services to the Scheme. These services include:

- Leasing and Agency Services;
- Market Rent Reviews;
- Property Management Services;
- Project Management Services;
- Development Management Services; and
- Debt Arrangement Services

The total project management fees paid to Australian Unity Property Management Pty Ltd for the year ended 30 June 2025 was \$193,018 (2024: \$16,305). Total accrued project management fees payable to Australian Unity Property Management Pty Ltd as at 30 June 2025 was \$153,248 (2024: \$194,146). Total disposal cost paid to Australian Unity Property Management Pty Ltd for the year ended 30 June 2025 was \$5,363 (2024 : \$14,025)

Related party unitholdings

Parties related to the Scheme (including Australian Unity Funds Management Limited, its related parties and other schemes managed by Australian Unity Funds Management Limited), held units in the Scheme as follows:

17 Related party transactions (continued)

Related party unitholdings

2025

| Unitholders | No. of units held opening '000 | No. of units held closing '000 | Fair value of investment* \$'000 | Interest held % | No. of units acquired '000 | No. of units disposed '000 | Distributions paid/payable by the Scheme \$'000 |
|--|---|---|---|-----------------------|-------------------------------------|-------------------------------------|---|
| Lifepan Australia Friendly Society Limited | 2,000 | 2,000 | 2,538 | 1.81 | - | - | 81 |
| Australian Unity Strategic Investments Pty Ltd | 3,968 | - | - | - | - | 3,968 | 109 |
| Australian Unity Health Limited | - | 11,766 | 14,929 | 10.65 | 11,766 | - | 153 |
| Total | 5,968 | 13,766 | 17,467 | 12.46 | 11,766 | 3,968 | 343 |

2024

| Unitholders | No. of units held opening '000 | No. of units held closing '000 | Fair value of investment* \$'000 | Interest held % | No. of units acquired '000 | No. of units disposed '000 | Distributions paid/payable by the Scheme \$'000 |
|--|---|---|---|-----------------------|-------------------------------------|-------------------------------------|---|
| Australian Unity Property Income Fund** | 7,368 | 7,368 | 9,084 | 7.54 | - | - | 220 |
| Lifepan Australia Friendly Society Limited | 2,000 | 2,000 | 2,466 | 2.05 | - | - | 60 |
| Australian Unity Strategic Investments Pty Ltd | 3,968 | 3,968 | 4,895 | 4.06 | - | - | 74 |
| Total | 13,336 | 13,336 | 16,445 | 13.65 | - | - | 354 |

*Fair value of investment includes accrued distribution at the end of the reporting period.

**Australian Unity Property Income Fund ceased being a related party on 27 June 2025 and is therefore excluded from the FY2025 table.

18 Reconciliation of profit to net cash inflow from operating activities

| | 2025 | 2024 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Profit for the year | 7,188 | 7,977 |
| Change in fair value of the investment properties | (3,294) | (6,543) |
| Add back interest expenses and debt establishment costs | 3,188 | 2,081 |
| Net change in receivables | (1,718) | 469 |
| Add back capital raising costs paid/payable | 89 | 179 |
| Net change in payables | 81 | (106) |
| Net change in other assets | (15) | (19) |
| Adjustments to net lease incentives and straight line rental | 20 | (8) |
| Net cash inflow from operating activities | 5,539 | 4,030 |

19 Events occurring after the end of the financial year

Esther Kerr resigned as a director of the Responsible Entity on 29 August 2025.

Adam Vise was appointed as a director of the Responsible Entity on 29 August 2025.

On 18 June 2025, the Scheme exchanged a contract to sell 536 Gympie Road Strathpine QLD. Settlement occurred on 11 July 2025 for \$1,000,000, excluding selling costs.

Other than the above, the directors of the Responsible Entity are not aware of any other matter or circumstance arising since 30 June 2025 which has significantly affected or may significantly affect the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2025 or on the results and cash flows of the Scheme for the year ended on that date.

20 Contingent assets and liabilities and commitments

There are no outstanding contingent assets or liabilities as at 30 June 2025 and 30 June 2024.

Commitments arising from contracts principally relating to acquisition of investment properties which are contracted for at reporting date but not recognised on the statement of financial position are \$20,168,447 as at 30 June 2025 (2024: \$24,615,000).

Directors' declaration

In the opinion of the directors of Australian Funds Management Limited, as the Responsible Entity of Australian Specialist Disability Accommodation Fund (the Scheme):

- (a) The financial statements and notes set out on pages 6 to 32 are:
 - (i) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the Scheme's financial position as at 30 June 2025 and of its performance, as represented by the results of its operations and cash flows for the year ended on that date.
- (b) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable,
- (c) The financial statements are in accordance with the Scheme's Constitution, and
- (d) Note 2 confirms that the financial statements comply with 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 the Responsible Entity.



Rohan Mead
Director



Darren Mann
Director

16 September 2025



Independent Auditor's Report

To the unitholders of Australian Unity Specialist Disability Accommodation Fund

Opinion

We have audited the **Financial Report** of Australian Unity Specialist Disability Accommodation Fund (the Scheme).

In our opinion, the accompanying Financial Report of Scheme gives a true and fair view, including of the Scheme's financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at June 2025;
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Scheme in accordance with 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Australian Unity Specialist Disability Accommodation Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Australian Unity Funds Management Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.



We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of Australian Unity Funds Management Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

David Kells

Partner

Sydney

17 September 2025