

# Dexus Australian Property Fund

ARSN 096 853 619 | APIR NML0337AU

Directors' report and financial report for the  
financial year ended 30 June 2023

AMP Capital Funds Management Limited  
ABN: 15 159 557 721 | AFSL No: 426455







# **Dexus Australian Property Fund Annual Report 30 June 2023**

ARSN: 096 853 619

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Dexus Australian Property Fund (formerly known as Australian Property Fund) was formed and domiciled in Australia. AMP Capital Funds Management Limited is the appointed Responsible Entity for Dexus Australian Property Fund. AMP Capital Funds Management Limited is a wholly owned subsidiary of Dexus Holdings Pty Limited (DXH) which forms part of the Dexus Listed Group (DXS).

The registered office of the Responsible Entity is Level 30, 50 Bridge Street, Sydney, NSW 2000.

# Directors' Report

The Directors of AMP Capital Funds Management Limited (the Responsible Entity) as Responsible Entity of Dexus Australian Property Fund (formerly known as Australian Property Fund) (the Fund or DAPF) present their Directors' Report together with the Financial Statements for the year ended 30 June 2023.

## Directors

The following persons were Directors of AMP Capital Funds Management Limited at all times during the year and to the date of this Directors' Report, unless otherwise stated:

Directors	Appointed
Andrew Stainer	24 March 2023
Deborah C Coakley	24 March 2023
Jennifer A Horrigan	24 March 2023
Ming Y Long <sup>1</sup>	28 July 2017
Robert V McKinnon <sup>2</sup>	6 June 2018
Aideen T O'Donovan <sup>2</sup>	22 March 2022
Peter J S Rowe <sup>2</sup>	28 July 2017
Lisa Scenna	24 March 2023
Brett D Cameron – Alternative Director for Deborah C Coakley	24 March 2023

1. Retired, effective 31 October 2022.

2. Retired, effective 24 March 2023.

## Directors' relevant interests

As at the date of this Directors' Report, no Director directly held:

- options over, or any other contractual interest in, units in the Fund; or
- units in the Fund.

## Principal activities

During the year the principal activity of the Fund was to invest funds in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of the Fund's Constitution.

The Fund invests predominantly in an unlisted managed investment fund, the Dexus Wholesale Australian Property Fund (ARSN 088 996 392) ("Underlying Fund" or DWAPF). The Underlying Fund invests primarily in direct properties (office, industrial and retail) and cash and cash equivalents. The Underlying Fund may also invest in healthcare and other commercial properties together with investments in ASX-listed Australian Real Estate Investment Trusts ("AREITs") and unlisted funds.

There were no significant changes in the nature of the Fund's activities during the year.

## Total value of Fund assets

The total value of the assets of the Fund as at 30 June 2023 was \$120.4 million (2022: \$143.3 million). Details of the basis of this valuation are outlined in the Notes to the Financial Statements.

## Review and results of operations

The relevant financial information for the Fund for the year ended 30 June 2023 is as follows:

- net loss attributable to unitholders for the year was \$2.7 million (2022: profit \$19.6 million);
- distributions paid or payable to unitholders was \$5.2 million (2022: \$6.4 million);
- total assets were \$120.4 million (2022: \$143.3 million); and
- net assets were \$118.8 million (2022: \$141.5 million).

A review of the Fund's results is set out in the Dexus Australian Property Fund 30 June 2023 Quarterly Report, which is available to investors on the Fund's web page: [www.dexus.com/dapf](http://www.dexus.com/dapf)

## Likely developments and expected results of operations

There has been no material change in the investment strategy of the Fund. The investment strategy of the Fund will be maintained in accordance with Fund's Constitution. Currently, there are no significant developments expected in respect of the Fund not already disclosed to unitholders. The performance of the Fund in the future will be subject to movements in the underlying property markets over time.

In the opinion of the Directors, disclosure of any further information regarding business strategies and future developments or results of the Fund, other than the information already outlined in this Directors' Report or the Financial Statements accompanying this Directors' Report, would be unreasonably prejudicial to the Fund.

## Significant changes in the state of affairs

On 26 October 2022, the Fund issued a revised Product Disclosure Statement for a new class of units – Class N Units. No new class N units have been issued during the year.

### *Dexus/AMP transaction*

On 27 April 2022, Dexus Funds Management Limited ("Dexus") and AMP Limited ("AMP") announced that the parties had entered into an agreement for the sale of AMP Capital's real estate and domestic infrastructure equity business to Dexus Funds Management Limited, subject to a number of conditions precedent. On 20 March 2023, it was announced that AMP and Dexus entered into a binding agreement for a revised transaction structure with a two-stage completion process. The first stage of the transaction completed on 24 March 2023 and included the sale of the Fund's responsible entity, AMP Capital Funds Management Limited and removing AMP Capital Investors Limited (AMPCI) as the Fund's investment manager.

Effective 24 March 2023, the Services and Management Agreement between the Responsible Entity and AMPCI governing investment management services was terminated. AMP Capital Investors Limited ceased to apply to the Fund. Accordingly, the Fund no longer has a separate investment manager. The investment management and associated services that were previously performed by AMPCI are now being performed by the Responsible Entity.

### *Withdrawal arrangements*

On 12 May 2023, the Responsible Entity announced that effective immediately, it will aim to process and pay withdrawal requests within six months noting, DAPF's constitution allows withdrawal requests to be paid within 12 months or longer (prior to this the Responsible Entity aimed to process withdrawal requests monthly). As at 30 June 2023, the estimated value of outstanding withdrawal requests was \$12.1 million which are intended to be settled no later than 12 months after date of request. The amount payable on redemption of the units will be determined based on the unit price of the Fund as at the last valuation date before the Responsible Entity processes the payment of a withdrawal request and calculated in accordance with the withdrawal price formula set out in DAPF's constitution. Redemption amounts payable by the Fund are intended to be funded out of the proceeds of redemptions from DWAPF.

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this Directors' Report or the Financial Statements that has significantly or may significantly affect the operations of the Fund, the results of those operations, or the state of the Fund's affairs in future financial years.

## Matters subsequent to the end of the financial year

Since the end of the financial year, the Directors are not aware of any matter or circumstance not otherwise dealt with in this Directors' Report or the Financial Statements that has significantly or may significantly affect the operations of the Fund, the results of those operations, or the state of the Fund's affairs in future financial years.

## Distributions

Distributions paid or payable by the Fund for the year ended 30 June 2023 are outlined in Note 3 of the Notes to the Financial Statements.

Distributions to unitholders by the Fund for the financial year ended 30 June 2023 were \$5,242,000 (30 June 2022: \$6,417,000). Returns of capital to unitholders by the Fund for the financial year were \$1,416,000 (30 June 2022: \$1,248,000). The Fund operates a distribution reinvestment plan ("DRP") in accordance with the Fund's Constitution. Distributions paid for the September 2022, December 2022 and March 2023 quarters comprised cash disbursements of \$4,006,000 and a reinvestment by participating unitholders under the DRP of \$263,000. Distributions payable for the June 2023 quarter comprised a cash disbursement of \$880,000 and a reinvestment by participating unitholders under the DRP of \$93,000.

## AMP Capital Funds Management Limited fees

Details of fees paid or payable by the Fund to AMP Capital Funds Management Limited for the year ended 30 June 2023 are outlined in Note 10 of the Notes to the Financial Statements.

## Interests in Dexus Australian Property Fund units

The movement in units on issue in the Fund during the year and the number of units on issue as at 30 June 2023 are detailed in Note 6 of the Notes to the Financial Statements.

The number of units in the Fund held by AMP Capital Funds Management Limited or its associates as at the end of the financial year is detailed in Note 10 of the Notes to the Financial Statements.

## Environmental Regulation and Performance

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

## Indemnification and insurance

*For the period 24 March 2023 to 19 September 2023:*

The insurance premium for a policy of insurance indemnifying Directors, officers and others (as defined in the relevant policy of insurance) is paid by Dexus Holdings Pty Limited (DXH), the parent company of the Responsible Entity.

Subject to specified exclusions, the liabilities insured are for costs that may be incurred in defending civil or criminal proceedings that may be brought against Directors and Officers in their capacity as Directors and Officers of the Responsible Entity, its subsidiaries or such other entities, and other payments arising from liabilities incurred by the Directors and Officers in connection with such proceedings.

Ernst & Young ("the Auditor") is indemnified out of the assets of the Responsible Entity pursuant to the General Terms and Conditions agreed for all engagements with Ernst & Young, to the extent that it inappropriately uses or discloses a report prepared by Ernst & Young. The Auditor is not indemnified for the provision of services where such an indemnification is prohibited by the *Corporations Act 2001*.

*For the period 1 July 2022 to 23 March 2023:*

Under its Constitution, the Responsible Entity indemnified, to the extent permitted by law, all current and former officers of the Responsible Entity (including the directors) against any liability (including the reasonable costs and expenses of defending proceedings for an actual or alleged liability) incurred in their capacity as an officer of the Responsible Entity. This indemnity did not extend to current or former employees of the AMP group against liability incurred in their capacity as an employee, unless approved by or on behalf of the AMP Limited Board.

AMP Limited (the Responsible Entity's former ultimate parent company) maintained, and paid the premium for, directors' and officers' and company reimbursement insurance for the benefit of all of the officers of the AMP group (including each director, secretary and senior manager of the Responsible Entity) against certain liabilities (including legal costs) as permitted by the *Corporations Act 2001*. The insurance policy prohibits disclosure of the nature of the liabilities covered, the amount of the premium payable and the limit of liability.

In addition, AMP Group Holdings Limited ("AMPGH") and each of the current and former directors and secretaries of the Responsible Entity were parties to deeds of indemnity, insurance and access. Those deeds provide that:

- these officers will have access to Board papers and specified records of the Responsible Entity (and of certain other companies) for their period of office and for at least ten (or, in some cases, seven) years after they cease to hold office (subject to certain conditions);
- AMPGH indemnifies the relevant officers to the extent permitted by law, and to the extent and for the amount that the relevant officer is not otherwise entitled to be, and is not actually, indemnified by another person;
- the indemnity covers liabilities (including legal costs) incurred by the relevant officer in their capacity as a current or former director or secretary of the Responsible Entity, or of another AMP group company or, an AMP representative of an external company; and
- the AMP group will maintain directors' and officers' insurance cover for those officers, to the extent permitted by law, for the period of their office and for at least ten years after they cease to hold office.

## Audit

### *Auditor*

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

### *Non-audit services*

The Fund may decide to employ the Auditor on assignments, in addition to their statutory audit duties, where the Auditor's expertise and experience with the Fund are important.

Details of the amounts paid or payable to the Auditor for audit and non-audit services provided during the year are set out in Note 8 of the Notes to the Financial Statements.

The Board of AMP Capital Funds Management Limited, as Responsible Entity of the Fund, ("the Board") is satisfied that the provision of non-audit services provided during the year by the Auditor (or by another person or firm on the Auditor's behalf) is compatible with the standard of independence for auditors imposed by the *Corporations Act 2001*.

### *Auditor's Independence Declaration*

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6 and forms part of this Directors' Report.

## Rounding of amounts and currency

As the Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the Directors have chosen to round amounts in this Directors' Report and the accompanying Financial Report to the nearest thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the Financial Statements, except where otherwise stated, are expressed in Australian dollars.

## Directors' authorisation

The Directors' Report is made in accordance with a resolution of the Directors. The Financial Statements were authorised for issue by the Directors on 19 September 2023.



Director  
19 September 2023



**Building a better  
working world**

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## **Auditor's independence declaration to the Directors of AMP Capital Funds Management Limited, the Responsible Entity of Dexu Australian Property Fund**

As lead auditor for the audit of the financial report of Dexu Australian Property Fund for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

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

*Ernst & Young*  
Ernst & Young

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

Anthony Ewan  
Partner  
Sydney  
19 September 2023



## Statement of Comprehensive Income

For the financial year ended 30 June 2023

	Notes	Year ended	
		30 June 2023	30 June 2022
		\$'000	\$'000
<b>INCOME</b>			
Distribution income	1	5,383	6,634
Interest income		6	-
Net fair value (loss)/gain of unlisted managed investment funds	4	(7,909)	13,186
<b>Total income</b>		<b>(2,520)</b>	<b>19,820</b>
<b>EXPENSES</b>			
Management fees	10(c)	(101)	(169)
Other expenses		(47)	(49)
<b>Total expenses</b>		<b>(148)</b>	<b>(218)</b>
<b>NET (LOSS)/PROFIT ATTRIBUTABLE TO UNITHOLDERS</b>		<b>(2,668)</b>	<b>19,602</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR</b>		<b>(2,668)</b>	<b>19,602</b>

## Statement of Financial Position

As at 30 June 2023

		As at	
		30 June 2023	30 June 2022
	Notes	\$'000	\$'000
<b>ASSETS</b>			
Cash and cash equivalents		37	167
Receivables	7	1,668	1,922
Financial assets measured at fair value through profit or loss			
Unlisted managed investment funds	4	118,664	141,208
<b>TOTAL ASSETS</b>		<b>120,369</b>	<b>143,297</b>
<b>LIABILITIES</b>			
Payables	7	29	78
Distributions payable	3	973	1,505
Returns of capital payable	3	615	250
<b>TOTAL LIABILITIES</b>		<b>1,617</b>	<b>1,833</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS – EQUITY</b>		<b>118,752</b>	<b>141,464</b>

## Statement of Changes in Net Assets Attributable to Unitholders

For the financial year ended 30 June 2023

	Notes	Year ended	
		30 June 2023	30 June 2022
		\$'000	\$'000
<b>OPENING BALANCE AS AT 1 JULY – NET ASSETS ATTRIBUTABLE TO UNITHOLDERS – EQUITY</b>		141,464	172,858
Net (loss)/gain attributable to unitholders		(2,668)	19,602
Other comprehensive income		-	-
<b>Total comprehensive income for the financial year</b>		<b>(2,668)</b>	<b>19,602</b>
Applications		3,747	4,744
Distributions to unitholders reinvested		354	280
Redemptions		(17,487)	(48,355)
Returns of capital	3	(1,416)	(1,248)
Distributions to unitholders	3	(5,242)	(6,417)
		(20,044)	(50,996)
<b>CLOSING BALANCE AS AT 30 JUNE – NET ASSETS ATTRIBUTABLE TO UNITHOLDERS – EQUITY</b>	6	<b>118,752</b>	<b>141,464</b>

## Statement of Cash Flows

For the financial year ended 30 June 2023

	Notes	Year ended	
		30 June 2023	30 June 2022
		\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Distributions received		5,977	7,448
Interest received		6	-
Management fees paid		(154)	(130)
Other expenses paid		(43)	(49)
<b>Net cash inflow from operating activities</b>	9(a)	<b>5,786</b>	<b>7,269</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for investment in unlisted managed investment funds	4	-	(1,500)
Proceeds from disposal of investment in unlisted managed investment funds	4	13,040	44,837
Returns of capital received		1,171	1,126
<b>Net cash inflow from investing activities</b>		<b>14,211</b>	<b>44,463</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from applications by unitholders		3,747	4,744
Payments for redemptions by unitholders		(17,487)	(48,355)
Distributions paid to unitholders		(5,336)	(7,032)
Returns of capital paid		(1,051)	(998)
<b>Net cash outflow from financing activities</b>		<b>(20,127)</b>	<b>(51,641)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(130)</b>	<b>91</b>
Cash and cash equivalents at the beginning of the financial year		167	76
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<b>37</b>	<b>167</b>

# Notes to the Financial Statements

In this section

This section sets out the basis upon which the Fund's Financial Statements are prepared.

Specific accounting policies are described in their respective Notes to the Financial Statements.

## **Basis of preparation**

The Financial Statements are a general purpose financial report which have been prepared in accordance with the requirements of the Fund's Constitution, the *Corporations Act 2001*, Australian accounting standards issued by the Australian Accounting Standards Board and the International Financial Reporting Standards adopted by the International Accounting Standard Board.

Unless otherwise stated the Financial Statements have been prepared using consistent accounting policies in line with those of the previous financial year and corresponding interim reporting period. Where required, comparative information has been restated for consistency with the current year's presentation.

The Financial Statements are presented in Australian dollars, with all values rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise stated.

The Financial Statements have been prepared on a going concern basis using the historical cost convention, except for the investments in the unlisted managed investment funds. This is measured at fair value.

The Fund is a for-profit entity for the purposes of preparing Financial Statements.

The Statement of Financial Position presents does not distinguish between current and non-current items. All of the Fund's assets and liabilities are held for the purpose of being traded or are expected to be realised within 12 months, except for financial assets measured at fair value through profit or loss.

### *Changes in Australian Accounting Standards*

The Fund has adopted all mandatory standards and amendments for the financial year beginning 1 July 2022. Adoption of these standards and amendments has not had any material effect on the financial position or performance of the Fund.

### *Australian Accounting Standards issued but not yet effective*

There are no new Australian accounting standards or amendments issued but not yet effective that are expected to have a material impact on the Fund.

## **Climate change**

The Responsible Entity is continuing to develop its assessment of the impact of climate change in line with emerging industry and regulatory guidance as it considers the impact of climate change risks in preparing the Financial Statements.

On 26 June 2023, the International Sustainability Standards Board released its new sustainability standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 *Climate-related Disclosures*. With the standards now officially released, the Australian Government has announced its second round of consultation on Climate-related financial disclosures indicating an intention to adopt the new sustainability standards and potential to mandate for large businesses and financial institutions. The Fund will assess the potential impact of these new standards on the Financial Statements once they have been adopted by the Australian Accounting Standards Board.

## **Significant accounting judgements, estimates and assumptions**

The preparation of the Financial Statements requires the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Fund's accounting policies.

Estimates and assumptions are determined based on information available at the time of preparing the Financial Statements and actual results may differ from these estimates and assumptions. Had different estimates and assumptions been adopted, this may have had a significant impact on the Financial Statements. Significant accounting judgements, estimates and assumptions are re-evaluated at each balance date in light of historical experience and changes to reasonable expectations of future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Significant accounting judgements, estimates and assumptions include but are not limited to:

### *Fair value measurement of unlisted managed investment funds*

The estimation process of determining the fair value of unlisted managed investment funds is as described in Note 4.



### Foreign currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The presentation currency of these Financial Statements, and the functional currency of the Fund, is the Australian dollar.

### Goods and services tax

Revenues, expenses and capital assets are recognised net of any amount of Australian Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the tax authorities is included as a receivable or payable in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as cash flows from operating activities.

### Notes to the Financial Statements

The Notes include information which is required to understand the Financial Statements and is material and relevant to the operations, financial position and performance of the Fund.

The Notes are organised into the following sections:

<b>Fund performance</b>	<b>Investments</b>	<b>Capital and financial risk management and working capital</b>	<b>Other disclosures</b>
1. Distribution income	4. Financial assets at fair value through profit or loss	5. Capital and financial risk management	8. Audit service fees
2. Taxation		6. Net assets attributable to unitholders	9. Cash flow information
3. Distributions to unitholders and returns of capital		7. Working capital	10. Related parties
			11. Commitments and contingencies
			12. Subsequent events

# Fund Performance

## In this section

This section explains the results and performance of the Fund.

It provides additional information about those individual line items in the Financial Statements that the Directors consider most relevant in the context of the operations of the Fund, including: Distribution income, taxation and distributions to unitholders and returns of capital.

## Note 1 Distribution income

Distributions from unlisted managed investment funds are recognised as income when declared.

	30 June 2023	30 June 2022
	\$'000	\$'000
Distributions from unlisted managed investment funds	5,383	6,634
<b>Total distribution income</b>	<b>5,383</b>	<b>6,634</b>

## Note 2 Taxation

Under current Australian income tax legislation, the Fund is generally not liable to pay income tax because the Attribution Managed Investment Trust (AMIT) tax regime now applies and unitholders are attributed the income of the Fund.

### Attribution managed investment trust regime

The Fund elected to be an AMIT for the year ended 30 June 2018 and future years. The AMIT regime is intended to reduce complexity, increase certainty and minimise compliance costs for AMITs and their investors.

## Note 3 Distributions to unitholders and returns of capital

Distributions and returns on capital are presented in the Statement of Changes in Net Assets Attributable to Unitholders. In accordance with the Fund Constitution, the Fund distributes its distributable income to unitholders by cash or reinvestment on a quarterly basis.

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
<b>Distributions:</b>		
Quarter ended 30 September – 1.05 cents per unit (2022: 1.09 cpu)	1,495	1,837
Quarter ended 31 December – 1.01 cents per unit (2022: 0.84 cpu)	1,408	1,304
Quarter ended 31 March – 1.03 cents per unit (2022: 1.14 cpu)	1,366	1,771
Quarter ended 30 June – 0.75 cents per unit (payable) (2022: 1.05 cpu)	973	1,505
	<b>5,242</b>	<b>6,417</b>

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
<b>Returns of capital:</b>		
Quarter ended 30 September – 0.18 cents per unit (2022: 0.16 cpu)	250	273
Quarter ended 31 December – 0.21 cents per unit (2022: 0.38 cpu)	292	596
Quarter ended 31 March – 0.20 cents per unit (2022: 0.08 cpu)	259	129
Quarter ended 30 June – 0.47 cents per unit (payable) (2022: 0.17 cpu)	615	250
	<b>1,416</b>	<b>1,248</b>

# Investments

## In this section

Investments are used to generate the Fund's performance. The assets are detailed in the following notes:

- **Financial assets measured at fair value through profit or loss:** relates to the fair value of investments in unlisted managed investment funds.

## Note 4 Financial assets measured at fair value through profit or loss

### Unlisted managed investment fund

Investments in unlisted managed investment funds are included in the category 'financial assets at fair value through profit or loss'. They are measured at their fair value, determined on the basis of the published net asset prices attributable to unitholders of those investments as at the relevant balance date.

#### (a) Reconciliation

Reconciliation of the carrying value for the financial year is as follows:

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
Carrying value at the beginning of the financial year	141,208	172,711
Acquisitions during the financial year	-	1,500
Disposals during the financial year	(13,040)	(44,837)
Returns of capital received and receivable during the financial year	(1,595)	(1,352)
Net (loss)/gain on revaluations	(7,909)	13,186
<b>Carrying value at the end of the financial year</b>	<b>118,664</b>	<b>141,208</b>

The Fund invests in Dexus Wholesale Australian Property Fund (formerly known as Wholesale Australian Property Fund) ("Underlying Fund"), an unlisted managed investment fund. During the financial year, the Fund subscribed to nil units and redeemed 9,382,247 units in the Underlying Fund. As at 30 June 2023, the Fund held 7.02% (30 June 2022: 8.54%) of the total ordinary units on issue in the Underlying Fund.

#### (b) Classification of financial assets at fair value through profit or loss

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
Unlisted managed investment funds	118,664	141,208
<b>Total financial assets at fair value through profit or loss</b>	<b>118,664</b>	<b>141,208</b>

#### (c) Recognition and Derecognition of Financial Assets and Liabilities

Financial assets and financial liabilities are recognised at the date the Fund becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. A transfer occurs when substantially all the risks and rewards of ownership of the financial asset are passed to a third party.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Gains or losses arising on derecognition of financial assets and liabilities are recognised in the Statement of Comprehensive Income.

## Note 4 Financial assets measured at fair value through profit or loss

### (d) Net changes in the fair value of financial instruments measured at fair value through profit or loss

Net changes in the fair value of financial instruments are recognised as income or loss and are determined as the difference between the fair value at the balance date or consideration received (if sold during the financial year) and the fair value as at the prior balance date or initial fair value (if acquired during the financial year).

During the year, the following gains/(losses) were recognised in profit or loss:

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
Fair value (loss)/gain on unlisted managed investment funds	(7,909)	13,186
<b>Total (loss)/gain at fair value through profit or loss</b>	<b>(7,909)</b>	<b>13,186</b>

### (e) Fair value measurement

Unlisted managed investment funds are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when determining their fair values (refer to Note 5(d) for details). Investments in unlisted managed investment funds held by the Fund during the financial year have been categorised as Level 2 assets.

The fair value of the unlisted managed investment fund is determined on the basis of the published net asset price of the Underlying Fund. This net asset price is based on the net asset value of the Underlying Fund, which is largely comprised of investment property held at fair value. If the fair value of the investment property held by the Underlying Fund increase or decrease, this would have a direct impact on the fair value of unlisted managed investment funds.

During the year, there were no transfers between Level 1, 2 and 3 fair value measurements.

### (f) Price risks

The Fund is exposed to price risk arising from investments in an unlisted managed investment fund classified as financial assets at fair value through profit or loss. Refer to Note 5(a) for details.

# Capital and financial risk management and working capital

## In this section

The Fund's overall risk management program focuses on reducing volatility from impacts of movements in financial markets and seeks to minimise potential adverse effects on the financial performance of the Fund.

Note 5 *Capital and financial risk management* outlines how the Fund manages its exposure to a variety of financial risks (interest rate risk, price risk, liquidity risk and credit risk).

The Board of the Responsible Entity determines the appropriate capital structure of the Fund, how much is borrowed from financial institutions (debt), and how much is raised from unitholders (equity) in order to finance the Fund's activities both now and in the future. This capital structure is detailed in the following notes:

– **Equity:** *Net assets attributable to unitholders* in Note 6

Note 7 provides a breakdown of the working capital balances held in the Statement of Financial Position.

## Note 5 Capital and financial risk management

Risks arising from holding financial instruments and entering into financial arrangements are inherent in the Fund's activities, and are managed through a process of ongoing identification, measurement and monitoring.

Financial instruments of the Fund comprise investments in financial assets measured at fair value through profit or loss, cash and cash equivalents and other financial instruments such as receivables and payables, which arise directly from the Fund's operations.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments. The Fund is exposed to credit risk, liquidity risk and market risk.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Fund from reasonably possible changes in the relevant risk variables. Information about these risk exposures for the financial year is provided below. Where the Fund has material risk exposures, risk sensitivity analysis is presented for illustrative purposes. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept.

For the period from 1 July 2022 to 23 March 2023, the management of these risks was carried out by AMPCI, including at its investment committees, under policies adopted by the Responsible Entity including the Fund's valuation policy.

Effective 24 March 2023, entities in the Dexus Listed Group (DXS) provide resources to the Responsible Entity to appropriately manage these risks.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

To avoid excessive concentrations of risk, the Fund monitors its exposure to ensure concentrations of risk remain within acceptable levels. In particular, the investment in the Underlying Fund, ultimately holds diversified interests in underlying investment property.

The Responsible Entity's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern, so it can continue to provide returns to unitholders and to maintain an optimal capital structure. To maintain or adjust the capital structure, the Responsible Entity may reinvest distributions at the election of unitholders. The Fund does not have any externally imposed capital requirements.

The Responsible Entity has been issued with an Australian Financial Services Licence (AFSL). The licence is subject to certain capital requirements including the requirement to maintain liquidity above specified limits. The Responsible Entity must also prepare rolling cash projections over at least the next 12 months and demonstrate it will have access to sufficient financial resources to meet its liabilities that are expected to be payable over that period. Cash projections and assumptions are approved, at least quarterly, by the Responsible Entity.

### (a) Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices.



## Note 5 Capital and financial risk management (continued)

### (a) Market risk (continued)

Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

Australian accounting standards require the disclosure of sensitivity to changes in market risk variables such as interest rates and equity prices. This sensitivity is not intended to show the impact on the Fund's financial performance for the entire period, just an illustrative example of the direct impact of a change in the value of the financial instruments measured at the balance date as a result of the change in market rates. The sensitivity is required to show the impact of a reasonably possible change in market rate over the period to the subsequent balance date. It is not intended to illustrate a remote, worst case or stress test scenario.

#### Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Fund's exposure to risk of changes in market interest rates relates primarily to the Fund's cash and cash equivalents, which is subject to variable interest rates.

#### Interest rate sensitivity

##### Cash and cash equivalents

Interest rate sensitivity for cash and cash equivalents is not significant to the Fund.

#### Price risk

Price risk is the risk that the fair value of managed investment funds decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual managed investment funds or factors affecting all financial instruments in the market. Price risk exposure arises from the Fund's investment in the Underlying Fund.

Price risk is managed by monitoring compliance with established investment mandate limits.

All securities present a risk of loss of capital. The maximum risk resulting from managed investment funds is determined by the fair value of the financial instruments.

#### Price risk sensitivity

The table below demonstrates the impact of a 10% movement in the net asset price of the Underlying Fund on the Fund's net profit attributable to unitholders and net assets attributable to unitholders, with all other variables held constant. It is assumed that the relevant change occurs at the balance date.

	Change in percentage	Effect on net profit attributable to unitholders	Effect on net assets attributable to unitholders
	Increase/(decrease)	Increase/(decrease)	Increase/(decrease)
	%	\$'000	\$'000
30 June 2023	10 / (10)	11,866 / (11,866)	11,866 / (11,866)
30 June 2022	10 / (10)	14,121 / (14,121)	14,121 / (14,121)

### (b) Liquidity risk

Liquidity risk is associated with ensuring that there are sufficient funds available to meet the Fund's financial commitments as and when they fall due and planning for any unforeseen events which may curtail cash flows.

The Fund manages its liquidity risk through cash flow forecasts and liquidity planning based on the maturities of financial assets (for example cash, receivables) and financial liabilities (for example payables) and projected cash flows from operating and investing activities. The risk is managed through the Fund's cash surpluses and investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements except otherwise disclosed in the Financial Statements.

#### Maturity analysis for financial liabilities

Financial liabilities of the Fund comprise payables and distributions payable. Payables and distributions payable are typically settled within 30 days and 60 days respectively.

Liquidity risk is not considered to be significant to the Fund.

### (c) Credit risk

Credit risk is the risk that the counterparty will not fulfil its obligations under the terms of a financial instrument and will cause financial loss to the Fund. The Fund has exposure to credit risk on all financial assets included in the Fund's Statement of Financial Position.

## Note 5 Capital and financial risk management (continued)

### (c) Credit risk (continued)

The Fund's maximum credit risk exposure at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the maximum exposure at the balance date.

The Fund holds no collateral as security or any other credit enhancements.

Receivables balances are monitored on an ongoing basis. The Fund's exposure to bad debts is not significant.

### (d) Fair value

Financial assets and liabilities measured at fair value are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure a financial asset or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The Fund uses the following methods in the determination and disclosure of the fair value of financial instruments:

**Level 1:** The fair value is calculated using quoted prices in active markets. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

**Level 2:** The fair value is determined using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These may include investment grade corporate bonds, certain unlisted unit trusts and over-the-counter derivatives.

**Level 3:** Valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable inputs are determined based on the best information available, which might include the Fund's own data, reflecting the Fund's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Valuation techniques are used to the extent that observable inputs are not available.

The table below shows the Fund's financial assets and liabilities measured at fair value on a recurring basis by each level of the fair value hierarchy. The Fund did not measure any financial assets or liabilities at fair value on a non-recurring basis as at 30 June 2023 (30 June 2022: nil).

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>30 June 2023</b>				
Unlisted managed investment funds	-	118,664	-	<b>118,664</b>
<b>30 June 2022</b>				
Unlisted managed investment funds	-	141,208	-	<b>141,208</b>

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred. During the year, there were no transfers between Level 1, 2 and 3 fair value measurements.

Given the short-term nature of most receivables, their carrying values approximate their fair values. Given the short-term nature of most payables, their carrying values approximate their fair values.

### Valuation techniques

Refer to Note 4(e) regarding valuation techniques.

There were no significant changes in valuation techniques during the financial year.

## Note 6 Net assets attributable to unitholders

Net assets attributable to unitholders comprise units on issue and undistributed reserves. The Fund's Constitution allows the AMIT tax regime to apply to the Fund and the AMIT eligibility criteria have been met. The Fund's Constitution has no contractual obligation for the Responsible Entity to distribute trust income to unitholders. As the Responsible Entity does not have any contractual obligations to pay distributions, and the units on issue comprise one class of units with identical features which are equally subordinate to any other financial instruments on issue, the Fund's net assets attributable to unitholders have been classified as equity in accordance with AASB132 *Financial Instruments: Presentation*.

Units requested to be redeemed remain in equity until the redemption is satisfied. The amount payable on redemption of units will be determined based on the net asset value of the Fund as at the date the redemption is satisfied, and calculated in accordance with the withdrawal price formula set out in the Fund's Constitution.

### (a) Units on issue

The movement in the number of units on issue during the financial year was as follows:

	Year ended	
	30 June 2023	30 June 2022
	<b>Number of units</b>	<b>Number of units</b>
Opening balance	143,398,304	189,223,535
Applications	3,774,011	5,541,556
Distributions to unitholders reinvested	360,978	292,158
Redemptions	(17,701,851)	(51,658,945)
<b>Closing balance</b>	<b>129,831,442</b>	<b>143,398,304</b>

Net assets attributable to unitholders are made up as follows:

	Year ended	
	30 June 2023	30 June 2022
	<b>\$'000</b>	<b>\$'000</b>
Units on issue – Class M	110,090	124,892
Undistributed reserves (Note 6(b))	8,662	16,572
	<b>118,752</b>	<b>141,464</b>

Each unit confers upon the unitholder an equal interest in the Fund (subject to income entitlements), and is of equal value. A unit does not confer an interest in any particular asset or investment of the Fund.

Unitholders have various rights under the Fund's Constitution and the *Corporations Act 2001*, which, subject to certain terms and conditions, includes the right to:

- have their units redeemed
- attend and vote at meetings of unitholders
- participate in the termination and winding up of the Fund.

Issued and paid up units are initially recognised at the fair value of the consideration received by the Fund. Applications received for units in the Fund are recognised net of any transaction costs arising on the issue of units in the Fund. Redemptions from the Fund are recognised gross of any transaction costs payable relating to the cancellation of units redeemed. Unit entry and exit prices are determined in accordance with Fund's Constitution.

On 26 October 2022, the Fund issued a revised Product Disclosure Statement for a new class of units – Class N Units. No new class N units have been issued during the year.

Class N units have the same terms and conditions as class M except investments in Class N units may only be withdrawn on a Liquidity Event. The initial Liquidity Event will occur in or around December 2024. Subsequent Liquidity Events will generally occur on every third anniversary after that initial Liquidity Event.

## Note 6 Net assets attributable to unitholders (continued)

### (a) Units on issue (continued)

#### *Withdrawal arrangements*

On 12 May 2023, the Responsible Entity announced that effective immediately, it will aim to process and pay withdrawal requests within six months noting, DAPF's constitution allows withdrawal requests to be paid within 12 months or longer (prior to this the Responsible Entity aimed to process withdrawal requests monthly). As at 30 June 2023, the estimated value of outstanding withdrawal requests was \$12.1 million which are intended to be settled no later than 12 months after date of request. The amount payable on redemption of the units will be determined based on the unit price of the Fund as at the last valuation date before the Responsible Entity processes the payment of a withdrawal request and calculated in accordance with the withdrawal price formula set out in DAPF's constitution. Redemption amounts payable by the Fund are intended to be funded out of the proceeds of redemptions from DWAPF.

#### **Distribution reinvestment plan**

The Fund has a distribution reinvestment plan (DRP) under which unitholders may elect to have all or part of their distribution entitlements satisfied by the issue of new units rather than by being paid in cash. During the financial year, units issued under the DRP were at the current net asset value price.

### (b) Undistributed reserves

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
General reserve	<b>8,662</b>	<b>16,572</b>

#### **Movements:**

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
Balance at beginning of the financial year	16,572	3,387
Net profit from operations before fair value adjustments	5,241	6,416
Net fair value (loss)/gain of unlisted managed investment funds	(7,909)	13,186
Distributions to unitholders	(5,242)	(6,417)
<b>Balance at end of the financial year</b>	<b>8,662</b>	<b>16,572</b>

#### **Nature and purpose of reserves**

The general reserve is predominantly used to record unrealised movements in the fair value of the investment in unlisted managed investment funds.

## Note 7 Working capital

### (a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with a bank or financial institutions with original maturities of three months or less. Cash and cash equivalents also include investments which are readily convertible to cash on hand at the Responsible Entity's option and which the Responsible Entity uses in its day to day management of the Fund's cash requirements.

### (b) Receivables

Interest income on cash and cash equivalents is recognised on an accrual basis. Distributions are recognised when declared and, if not received at the end of the reporting period, reflected in the Statement of Financial Position as a 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 uncollectable are written off by reducing the carrying amount directly.

## Note 7 Working capital (continued)

### (b) Receivables (continued)

#### *Impairment*

An allowance for expected credit loss is made when the Fund may not be able to collect the debts. The Fund applies a simplified approach in calculating expected credit loss and recognises a loss allowance based on the lifetime expected credit losses at each reporting date. Given the limited exposure of the Fund to credit risk, no material expected credit loss has been recognised. The Fund only holds receivables with no financing component and that have maturities of less than 12 months.

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
Distributions receivable	1,001	1,595
Returns of capital receivable	667	243
Other receivables	-	84
	<u>1,668</u>	<u>1,922</u>

### (c) Payables

Expenses are recognised in the Statement of Comprehensive Income on an accrual basis.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Fund. Payables are measured at their nominal amounts. Amounts are generally paid within 30 days of being recognised as payables. Given the short-term nature of most payables, their carrying values approximate their fair values.

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
Management fees payable	2	55
Other payables and accrued expenses	27	23
	<u>29</u>	<u>78</u>



## Other disclosures

### In this section

This section includes other information that must be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* or the Corporations Regulations.

### Note 8 Audit service fees

	Year ended	
	30 June 2023	30 June 2022
	\$	\$
Amounts paid or payable to Ernst & Young, the auditor of the Fund, for:		
Audit of the Financial Statements of the Fund	24,718	23,541
Other services – audit of compliance plan	6,600	2,789
Non-audit services	-	-
	<b>31,318</b>	<b>26,330</b>

### Note 9 Cash flow information

#### (a) Reconciliation of cash flows from operating activities

	Year ended	
	30 June 2023	30 June 2022
	\$'000	\$'000
<b>(a) Reconciliation of Net Profit Attributable to Unitholders to Net Cash Inflow from Operating Activities</b>		
Net (loss)/profit attributable to unitholders	(2,668)	19,602
Net fair value loss/(gain) of unlisted managed investment funds	7,909	(13,186)
Changes in assets and liabilities:		
Decrease in receivables	594	810
(Decrease) / Increase in payables	(49)	43
<b>Net cash inflow from operating activities</b>	<b>5,786</b>	<b>7,269</b>

#### (b) Non-cash Financing Activities

Non-cash financing activities carried out during the financial year on normal commercial terms and conditions comprised:

Reinvestment of distributions to unitholders	354	280
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### Note 10 Related parties

#### (a) General Information

The responsible entity of the Fund is AMP Capital Funds Management Limited, a subsidiary entity of Dexu Holdings Pty Limited.

For the period 1 July 2022 to 23 March 2023, the Investment Manager of the Fund was AMP Capital Investors Limited, a subsidiary entity of AMP Limited. This arrangement was terminated following Dexu's acquisition of the Responsible Entity.

## Note 10 Related parties (continued)

### (b) Investments

#### (i) Related party holdings of the Fund

Details of the Fund's holdings in relevant related parties, including the Responsible Entity, entities in the same group as the Responsible Entity, and other investment funds managed by the Responsible Entity and Former Investment Manager are set out below:

Name	Fair value of the investment		Interest held		Distributions received or receivable		Returns of capital received or receivable	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	\$	\$	%	%	\$	\$	\$	\$
Dexus Wholesale Australian Property Fund (formerly known as Wholesale Australian Property Fund)	118,664,067	141,207,935	7.02	8.54	5,383,465	6,634,094	1,594,822	1,351,946
Wholesale Australian Property Fund (A-REIT)	1	162	0.03	0.45	-	69	-	-

#### (ii) Related party investors in the Fund

As at 30 June 2023, there were no relevant related party investors in the Fund.

#### (c) Transactions with the Responsible Entity and its Related Parties

All transactions between the Fund and related parties have been at market value on normal commercial terms and conditions. This includes acquisitions and disposals of investments as well as applications and redemptions of units.

#### Management fees

In accordance with the Product Disclosure Statement, the ongoing management fee payable to the Responsible Entity is 1.10% (30 June 2022: 1.10%) of the net asset value of the Fund, and it is assessed daily and payable on a quarterly basis. Management fees are recognised net of management fee rebates of \$1,396,294 (30 June 2022: \$1,529,283) received from the Responsible Entity. These rebates relate to the Fund's share of management fees which have been paid to the Responsible Entity in its capacity as Responsible Entity of the Dexus Wholesale Australian Property Fund (formerly known as Wholesale Australian Property Fund).

	Year ended	
	30 June 2023	30 June 2022
	\$	\$
Management fees expensed during the financial year	1,497,442	1,698,571
Management fee rebates received during the financial year	(1,396,294)	(1,529,283)
	<b>101,148</b>	<b>169,288<sup>(a)</sup></b>

(a) AMP Capital Funds Management Limited was appointed the responsible entity of the Fund replacing National Mutual Funds Management Limited (the Former Responsible Entity) on 11 April 2022. Management fees expense during the prior financial year paid to the Responsible Entity was \$52,220. Management fees expense during the prior financial year paid to the Former Responsible Entity was \$117,068.

## **Note 10 Related parties (continued)**

### **(d) Key Management Personnel**

AASB 124 "Related Party Disclosures" defines key management personnel ("KMP") as including all Non-Executive Directors, Executive Directors and any other persons having authority or responsibility for planning, directing and controlling the activities of the Fund. The Fund has no direct employees, however the Directors of the Responsible Entity have been deemed to be Directors of the Fund. These individuals comprise the KMP of the Fund.

Key management personnel services are provided by the Responsible Entity and the remuneration paid to the Responsible Entity is detailed in Note 10(c) above. No Director of the Responsible Entity was paid any remuneration by the Fund during the financial year. Compensation paid to these Directors by the Responsible Entity, or related entities of the Responsible Entity, is not related to services they render to the individual funds.

## **Note 11 Commitments and contingencies**

The Directors of the Responsible Entity are not aware of any commitments or contingent liabilities in relation to the Fund, other than those disclosed in the Financial Statements, which should be brought to the attention of unitholders as at the date of completion of this report.

## **Note 12 Subsequent events**

Since the end of the year, the Directors are not aware of any matter or circumstance not otherwise dealt with in the Financial Statements that has significantly or may significantly affect the operations of the Fund, the results of those operations, or state of the Fund's affairs in future financial periods.

## Directors' Declaration

The Directors of AMP Capital Funds Management Limited as Responsible Entity of Dexus Australian Property Fund (the Fund) declare that the Financial Statements and Notes set out on pages 7 to 24:

- (i) comply with Australian Accounting Standards, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
- (ii) give a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance, as represented by the results of its operations and cash flows, for the year ended on that date.

In the Directors' opinion:

- (i) the Financial Statements and Notes are in accordance with the *Corporations Act 2001*;
- (ii) 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
- (iii) the Fund has operated in accordance with the provisions of the Fund's Constitution during the year ended 30 June 2023.

The Financial Statements also 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.



Director  
19 September 2023



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## **Independent Auditor's report to the Unitholders of Dexus Australian Property Fund**

### **Opinion**

We have audited the financial report of Dexus Australian Property Fund (the "Registered Scheme"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the declaration of the Directors of AMP Capital Funds Management Limited, the Responsible Entity of the Registered Scheme.

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

- a. Giving a true and fair view of the Registered Scheme's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### **Basis for Opinion**

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

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

### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

## **Responsibilities of the Directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the Registered Scheme's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Registered 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 objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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



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- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

*Ernst & Young*  
Ernst & Young

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

Anthony Ewan  
Partner  
Sydney  
19 September 2023