

RAM Essential Services Property Fund (REP)

Appendix 4D

For the period ended 31 December 2023

Name of Entity:

RAM Essential Services Property Fund (REP) comprising of the securities in RAM Australia Retail Property Fund and RAM Australia Medical Property Fund

ARSN:

RAM Australia Retail Property Fund (ARSN 634 136 682) RAM Australia Medical Property Fund (ARSN 645 964 601).
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REP Group Structure

REP is a stapled security comprising RAM Australia Retail Property Fund (ARSN 634 136 682) and RAM Australia Medical Property Fund (ARSN 645 964 601).

Reporting Period

This report details the consolidated results of REP for the half year ended 31 December 2023. All comparisons are for the prior comparative period ended 31 December 2022.

This information should be read in conjunction with the 30 June 2023 annual financial report of REP and any public announcements made during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)* and ASX Listing Rules.

Results for announcement to the market

				\$A'000
Total income from ordinary activities	Down	7%	to	27,047
Profit from ordinary activities after tax attributable to REP stapled group investors	Down	471%	to	(12,330)
Net profit for the period attributable to REP stapled group	Down	471%	to	(12,330)
Funds from operations ⁽¹⁾	Down	16%	to	12,074

(1) Profit measure based upon the Property Council of Australia's definition of FFO as set out in the Directors' report of the December 2023 half-year financial report.

Distributions

Quarter	Cents Per Security	Paid / Payable
September Quarter	1.40	27 October 2023
December Quarter	1.40	25 January 2024
Total	2.80	

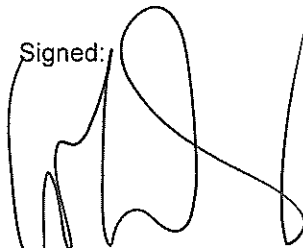
Net Assets per security

	Consolidated	
	31 December 2023	30 June 2023
Net Asset value per ordinary security	\$0.92	\$0.97

Audit Review Report

The information contained in this report is unaudited. The financial report for the half-year ended 31 December 2023 has been reviewed by PKF, the auditors for REP. The Independent Auditors' Review Report provided by PKF is included in the 31 December 2023 half-year financial report.

This report has been prepared in accordance with AASB Standards (including Australian Interpretations) and Standards acceptable to the ASX. This report, and the financial reports upon which it is based, use the same accounting policies unless otherwise stated in the notes to the financial report.

Signed: 

Greg Miles
Chairman

28 February 2024

RAM Property Funds Management Limited (ABN 28 629 968, AFSL 514484) as responsible entity of RAM Australia Retail Property Fund (ARSN 634 136 682) and RAM Australia Medical Property Fund (ARSN 645 964 601).

RAM Essential Services Property Fund

ARSN 634 136 682

Interim Report - 31 December 2023

RAM Essential Services Property Fund
Directors' report
As at 31 December 2023

The Directors of RAM Property Funds Management Limited ("RAM"), the Responsible Entity of RAM Essential Services Property Fund ("the Fund", "Stapled Fund" or "REP"), present their report together with the Financial Report made in accordance with a resolution of the Directors with respect to the results of the Stapled Fund and its controlled entities ("the consolidated entity") for the half-year ended 31 December 2023, the state of the consolidated entity's affairs as at 31 December 2023 and the Independent Auditor's Report thereon.

The RAM Essential Services Property Fund was created on 20 October 2021 when units in RAM Australia Retail Property Fund ("RARPF") were stapled to units in RAM Australia Medical Property Fund ("RAMPF"). The stapled securities of REP are listed on the ASX and are not individually tradeable. RARPF has been identified as the parent entity in relation to the stapling arrangement.

The Responsible Entity, RAM, is an unlisted company incorporated under the *Corporations Act 2001 (Cth)*, holds an Australian Financial Services Licence and has been the Responsible Entity of RARPF from 28 September 2021 and RAMPF from 8 September 2021.

Principal activity

The Stapled Fund is a registered managed investment scheme domiciled in Australia. The principal objective of the Stapled Fund is to invest in accordance with the investment objectives and guidelines set out in its current Product Disclosure Statement and in accordance with the provisions of the individual Constitutions of RARPF and RAMPF.

The principal activity of the Stapled Fund is to invest in commercial property in Australia.

Review of operations

	Half-year ended 31 Dec 2023	Half-year ended 31 Dec 2022
Statutory net profit/(loss) (\$m)	(12.33)	3.33
Funds from operations ("FFO") (\$m)	12.07	14.40
FFO per security (cps)	2.32	2.76
Distribution per security (cps)	2.80	2.90
	As at 31 Dec 2023	As at 30 Jun 2023
Total assets (\$m)	781.50	816.83
Investment properties (\$m)	744.90	786.51
Borrowings (\$m)	289.40	302.38
Net tangible assets ("NTA") (\$m)	477.92	503.25
NTA per security (\$)	0.92	0.97
Gearing (%)	35.66	36.08

Statutory profit

The results of the operations of the Stapled Fund are disclosed in the consolidated Statement of Profit or Loss and Other Comprehensive Income of this interim financial report. The Stapled Fund's loss for the half-year ended 31 December 2023 was \$12,330,000 (31 December 2022: \$3,325,000 profit).

The Stapled Fund's Net Tangible Assets ("NTA") is \$0.92 per security at 31 December 2023 (30 June 2023: \$0.97). The decrease in NTA is primarily due to downward investment property revaluations.

Funds from Operations ("FFO")

Funds from Operations ("FFO") for the half-year ended 31 December 2023 was \$12,074,000 (31 December 2022: \$14,400,000).

This represented FFO of 2.34 cps with 2.80 cps declared for distribution (31 December 2022: 2.76 cps; 2.90 cps), representing a FFO payout ratio of 119.8% (31 December 2022: 105.1%).

The Stapled Fund uses the Property Council of Australia's definition of FFO when determining distributions payable to investors. FFO adjusts Australian Accounting Standards statutory net profit for non-cash changes in investment properties, intangible assets, financial derivatives, amortisation of incentives and leasing costs, rental straight-line adjustments and other one-off items.

A reconciliation of statutory profit to FFO is below:

RAM Essential Services Property Fund
Directors' report
As at 31 December 2023

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Statutory net profit/(loss):	(12,330)	3,325
Net unrealised loss/(gain) on revaluation of investment properties	14,635	6,378
Realised (gain)/loss on fair value of investment properties	1,573	-
Net unrealised loss/(gain) on revaluation of derivative financial instruments	2,814	213
Straight-line of rental income	2,375	(599)
Amortisation of lease incentives and lease costs	2,242	2,000
Amortisation of borrowing transaction costs	765	549
Impairment of assets	-	2,471
Rental abatement incentives	-	60
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Funds from Operations (FFO)	12,074	14,397
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Property portfolio

Investment property valuations

The investment portfolio as at 31 December 2023 consisted of 9 retail shopping centres and 23 medical properties valued at \$744,900,000 (30 June 2023: 12 retail shopping centres and 23 medical properties valued at \$786,514,000).

The weighted average capitalisation rate for the portfolio is 5.80% as at 31 December 2023 (30 June 2023: 5.68%).

The Stapled Fund has engaged external valuations for 14 of the 32 properties across the portfolio in the current half-year.

Occupancy

As at 31 December 2023, the Stapled Fund's portfolio was 97.03% (30 June 2023: 97.63%) occupied with a weighted average lease expiry ("WALE") of 6.16 years (30 June 2023: 6.44 years).

Disposals

In the six months to 31 December 2023 the Stapled Fund disposed of its 100% interest in 3 separate convenience-anchored neighbourhood retail assets:

- The Hub Westlake, located in Westlake, Queensland, settled 26th September 2023 at a contract price of \$11.46m.
- North Lakes Convenience Centre, located in North Lakes, Queensland, settled 12th October 2023 at a contract price of \$8.1m.
- Windaroo Village, located in Windaroo, Queensland, settled 24th October 2023 at a contract price of \$10.4m.

Capital management

At 31 December 2023, the Stapled Fund had available aggregate debt facilities of \$324.5 million with a weighted average expiry of 2.32 years (30 June 2023: \$324.5 million; 2.79 years). Drawn borrowings in relation to the Stapled Fund totalled \$289.4 million with an all in cost of funds for the half-year being 4.87% (30 June 2023: \$302.4 million; 3.65%).

Subsequent to 31 December 2023, the Stapled Fund proceeded with a strategic restructure of its syndicated debt facilities to enhance financial flexibility. This restructure has refined its financial terms, expanding fund usage capabilities, including for operational capital and a redraw facility, and optimised its capital management strategies, facilitating more efficient asset management and capital deployment.

The Stapled Fund's gearing at 31 December 2023 was 35.66% (30 June 2023: 36.08%).

Distributions

Distributions paid or payable during the current and previous financial half-year were as follows:

		Half-year ended 31 Dec 2023	
	Date paid	Distribution \$'000	Distribution per security cps
Quarterly distribution for the period ended 30 September 2023	27/10/2023	7,295	1.400
Quarterly distribution for the period ended 31 December 2023	25/01/2024	7,279	1.400
		<hr/>	<hr/>
		14,574	2.800
		<hr/> <hr/>	<hr/> <hr/>

RAM Essential Services Property Fund
Directors' report
As at 31 December 2023

	Date paid	Half-year ended 31 Dec 2022	
		Distribution \$'000	Distribution per security cps
Quarterly distribution for the period ended 30 September 2022	28/10/2022	7,577	1.454
Quarterly distribution for the period ended 31 December 2022	27/01/2023	7,556	1.450
		15,133	2.904

The key dates in respect of the distribution for the quarter ended 31 December 2023 were:

Ex-distribution date:	28 December 2023
Record date:	29 December 2023
Distribution payment date:	25 January 2024

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Stapled Fund during the financial half-year.

Material business risks

There are a number of risks associated with investing in the Stapled Fund. These risks are addressed in the Stapled Fund's previous Financial Report.

Likely developments and expected results of operations

As disclosed above, there have been no significant changes in the principal activities of the Stapled Fund and the Stapled Fund will continue to operate in accordance with its investment objectives and Constitution.

Outlook for the Stapled Fund

The outlook for the Australian economy remains uncertain. Following the Reserve Bank of Australia's ("RBA") rate-hike cycle over the last 12 months, inflation remains at elevated levels, employment and wages remain robust but consumer confidence is wavering. Given the backdrop, there's an emerging consensus view that we are entering a prolonged period of economic softening and that the RBA will hold interest rates higher for longer.

Against this backdrop, the Stapled Fund remains well positioned. Our portfolio's exposure is comprising essential retail and healthcare properties which historically have proven resilient to any moderate economic slowdown. Our financial modelling and portfolio management decisions are consistent with this view and remain conservative through the years ending 30 June 2024 and 30 June 2025. The Stapled Fund's gearing is within the target range and comfortably within covenants, and we maintain prudent yet sufficient liquidity to achieve the Stapled Fund's stated objectives.

Directors and Company Secretary of the Responsible Entity

The following persons were directors and company secretary of the Responsible Entity of the Stapled Fund during the entire reporting period and up to the date of this report, unless otherwise stated:

Name	Appointed	Resigned	Position
Greg Miles	20 October 2021		Independent Non-Executive Chairman
Marianne Perkovic	20 October 2021		Independent Non-Executive Director
Bryce Mitchelson	20 October 2021		Independent Non-Executive Director
Scott Wehl	3 November 2018		Executive Director
Scott Kelly	3 November 2018		Executive Director & CEO
Stewart Chandler	1 September 2021		Company Secretary

Responsible Entity interests

The following fees were paid or payable to the Responsible Entity and related parties during the financial half-year:

**RAM Essential Services Property Fund
Directors' report
As at 31 December 2023**

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Accounting fees	261	286
Cost recoveries	190	644
Development management fees	-	1,106
Director fees	296	249
Investment management fees	2,608	2,698
Leasing fees	195	104
Property acquisition fees	-	13
Registry fees	25	25
Trustee management fees	150	105
	3,725	5,230
	3,725	5,230

Matters subsequent to the end of the financial half-year

The following events have occurred since 31 December 2023:

- Repayment of the Westpac facility and its incorporation into an enhanced syndicated facility shared with Commonwealth Bank of Australia (CBA) occurred on 31 January 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected or may significantly affect:

- the Stapled Fund's operations in future financial years;
- the results of those operations in future financial years; or
- the Stapled Fund's state of affairs in future financial years.

Rounding of amounts

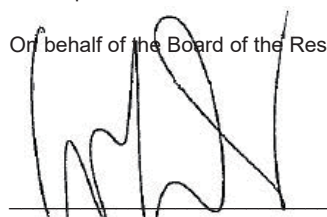
The Stapled Fund is of a kind referred to in *Corporations Instrument 2016/191*, issued by the *Australian Securities and Investments Commission*, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that *Corporations Instrument* to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

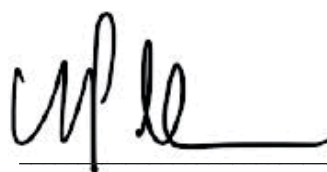
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) of the *Corporations Act 2001 (Cth)*.

On behalf of the Board of the Responsible Entity



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

28 February 2024
Sydney



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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of the Responsible Entity of the RAM Essential Services Property Fund

I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of RAM Essential Services Property Fund.

As lead audit partner for the review of the financial statements of RAM Essential Services Property Fund for the period ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

The PKF logo, consisting of the letters 'PKF' in a bold, black, sans-serif font.

PKF

A handwritten signature in black ink that reads 'Martin Matthews'.

MARTIN MATTHEWS
PARTNER

28 FEBRUARY 2024
NEWCASTLE, NSW

RAM Essential Services Property Fund
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As at 31 December 2023

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General information

These financial statements cover RAM Essential Services Property Fund (the "Fund", "Stapled Fund" or "REP") consisting of RAM Australia Retail Property Fund ("RARPF"), RAM Australia Medical Property Fund ("RAMPF"), and their controlled entities. The financial statements are presented in Australian dollars, which is RAM Essential Services Property Fund's functional and presentation currency.

The Responsible Entity of RARPF and RAMPF is RAM Property Funds Management Limited (ABN 28 629 968 163; AFSL 514484). The Responsible Entity's registered office is:

Suite 32.1
264 George Street
Sydney NSW 2000

RAM Essential Services Property Fund
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Revenue			
Rent from investment properties	5	27,039	28,965
Interest revenue		8	2
Total revenue		<u>27,047</u>	<u>28,967</u>
Expenses			
Property expenses		(8,882)	(8,152)
Finance costs		(7,945)	(4,618)
Fund management fees		(2,633)	(3,034)
Net realised losses on disposal of investment properties		(1,573)	-
Net unrealised losses on revaluation of investment properties	7	(14,635)	(6,378)
Net unrealised losses on derivative financial instruments		(2,814)	(213)
Impairment of assets		-	(2,471)
Other expenses		(895)	(776)
Total expenses		<u>(39,377)</u>	<u>(25,642)</u>
Profit/(loss) for the half-year		(12,330)	3,325
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year		<u>(12,330)</u>	<u>3,325</u>
<i>Profit/(loss) for the half-year is attributable to:</i>			
Non-controlling interest		(7,815)	6,061
Securityholders of RAM Essential Services Property Fund		(4,515)	(2,736)
		<u>(12,330)</u>	<u>3,325</u>
<i>Total comprehensive income for the half-year is attributable to:</i>			
Non-controlling interest		(7,815)	6,061
Securityholders of RAM Essential Services Property Fund		(4,515)	(2,736)
		<u>(12,330)</u>	<u>3,325</u>
		Cents	Cents
Basic earnings per security		(2.35)	0.64
Diluted earnings per security		(2.35)	0.64

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

RAM Essential Services Property Fund
Statement of financial position
As at 31 December 2023

	Note	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents		18,510	11,952
Trade and other receivables	6	3,203	6,690
Other current assets		10,051	5,039
Total current assets		<u>31,764</u>	<u>23,681</u>
Non-current assets			
Derivative financial instruments	10	2,800	5,614
Investment properties	7	744,900	786,514
Other non-current assets		2,034	1,022
Total non-current assets		<u>749,734</u>	<u>793,150</u>
Total assets		<u>781,498</u>	<u>816,831</u>
Liabilities			
Current liabilities			
Trade and other payables		13,209	11,602
Interest bearing loans and borrowings	8	23,542	22,219
Total current liabilities		<u>36,751</u>	<u>33,821</u>
Non-current liabilities			
Interest bearing loans and borrowings	8	264,305	278,211
Other non-current liabilities		3,877	528
Total non-current liabilities		<u>268,182</u>	<u>278,739</u>
Total liabilities		<u>304,933</u>	<u>312,560</u>
Net assets		<u>476,565</u>	<u>504,271</u>
Equity			
Issued securities	9	246,304	246,733
Undistributed profits		(8,332)	3,867
Equity attributable to the securityholders of RAM Essential Services Property Fund		237,972	250,600
Non-controlling interest		238,593	253,671
Total equity		<u>476,565</u>	<u>504,271</u>

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

RAM Essential Services Property Fund
Statement of changes in equity
For the half-year ended 31 December 2023

	Issued securities \$'000	Undistributed profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2022	246,733	35,710	268,213	550,656
Profit/(loss) for the half-year	-	(2,736)	6,061	3,325
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive income for the half-year	-	(2,736)	6,061	3,325
<i>Transactions with securityholders in their capacity as securityholders:</i>				
Distributions paid or payable (note 4)	-	(8,692)	(6,441)	(15,133)
Balance at 31 December 2022	<u>246,733</u>	<u>24,282</u>	<u>267,833</u>	<u>538,848</u>
	Issued securities \$'000	Undistributed profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2023	246,733	3,867	253,671	504,271
Loss for the half-year	-	(4,515)	(7,815)	(12,330)
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive income for the half-year	-	(4,515)	(7,815)	(12,330)
<i>Transactions with securityholders in their capacity as securityholders:</i>				
Distributions paid or payable (note 4)	-	(7,684)	(6,890)	(14,574)
Buy-back of securities (note 9)	(428)	-	(372)	(800)
Transaction costs incurred in buy-back of securities (note 9)	(1)	-	(1)	(2)
Balance at 31 December 2023	<u>246,304</u>	<u>(8,332)</u>	<u>238,593</u>	<u>476,565</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

RAM Essential Services Property Fund
Statement of cash flows
For the half-year ended 31 December 2023

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	34,774	28,937
Payments to suppliers (inclusive of GST)	(14,942)	(11,885)
Interest received	8	2
Interest and other finance costs paid	(7,228)	(3,832)
	12,612	13,222
Net cash from operating activities		
Cash flows from investing activities		
Payments for investment properties	(6,171)	(24,547)
Proceeds from disposal of investment properties	28,256	-
	22,085	(24,547)
Net cash from/(used in) investing activities		
Cash flows from financing activities		
Proceeds from borrowings	1,302	20,862
Payments for loan transaction costs	(24)	(206)
Distributions paid	(14,330)	(15,154)
Repayment of borrowings	(14,285)	-
Payments for buy-back of securities	(800)	-
Payments for buy-back transaction costs	(2)	-
	(28,139)	5,502
Net cash from/(used in) financing activities		
Net increase/(decrease) in cash and cash equivalents	6,558	(5,823)
Cash and cash equivalents at the beginning of the financial half-year	11,952	15,823
Cash and cash equivalents at the end of the financial half-year	18,510	10,000

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

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2023

Note 1. Summary of significant accounting policies

Basis of preparation

These condensed financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001 (Cth)*, as appropriate for for-profit oriented entities.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with any public announcements made in respect of the Stapled Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)*.

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

Going concern

As at 31 December 2023, the Stapled Fund's current liabilities of \$36,751,000 (30 June 2023: \$33,821,000) exceeded its current assets of \$31,764,000 (30 June 2023: \$23,681,000) by \$4,987,000 (30 June 2023: \$10,140,000).

The primary factor for this deficit at 31 December 2023 is the classification of RARPF's \$24.5 million Westpac debt facility as a current liability, ahead of its expiry in February 2024. In August 2023, RARPF secured an extension for this facility to 28 February 2024 as the Stapled Fund engaged in negotiations to restructure its syndicated facility.

The restructuring was successfully completed in January 2024, allowing for the repayment of the Westpac facility and its incorporation into an enhanced syndicated facility with increased financial flexibility. This restructured facility, shared with CBA and Westpac, now set to expire in June 2026, will be recognised as a non-current liability.

Given these developments, the Stapled Fund's financial report for this period has been prepared on a going concern basis, reflecting the Directors' confidence in the Stapled Fund's ability to manage its financial obligations.

Presentational changes and comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current half-year.

Basis for combined financial report

The RAM Essential Services Property Fund is a Stapled Fund comprising RARPF and its controlled entities, and RAMPF and its controlled entities. The securities in the group are stapled to the units in the trusts. The stapled securities cannot be traded or dealt with separately. The stapled securities of the RAM Essential Services Property Fund are listed on the ASX. RARPF has been identified as the parent entity.

RARPF and RAMPF remain separate legal entities in accordance with the *Corporations Act 2001 (Cth)* and are each required to comply with the reporting and disclosure requirements of Accounting Standards and the *Corporations Act 2001 (Cth)*.

On 20 October 2021, RARPF acquired RAMPF. Under the terms of AASB 3 *Business Combinations*, RARPF was deemed to be the accounting acquirer in this business combination. The Directors of the Responsible Entity applied judgement in the determination of the parent entity of the Stapled Fund and considered various factors including asset size and capital structure. Accordingly, the consolidated financial statements of the RAM Essential Services Property Fund have been prepared as a continuation of the consolidated financial statements of RARPF from the date of stapling.

New or amended Accounting Standards and Interpretations adopted

For the Stapled Fund, no new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") have come into effect for the current reporting period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Stapled Fund for the half-year ended 31 December 2023. The Stapled Fund has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in preparation of these financial statements are incorrect are:

Trade and other receivables	Note 6
Investment properties	Note 7

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2023

Note 3. Segment reporting

The Stapled Fund is organised into one operating segment; being to invest in accordance with the investment objectives and guidelines set out in its current Product Disclosure Statement and in accordance with the provisions of RARPF's and RAMPF's Constitutions. This singular operating segment is based on the internal reports that are provided to the chief operating decision maker to facilitate strategic decisions.

The Responsible Entity has been identified as the Stapled Fund's chief operating decision maker.

Note 4. Distributions

Distributions paid or payable during the current and previous financial half-year were as follows:

	Date paid	Half-year ended 31 Dec 2023	
		Distribution \$'000	Distribution per security cps
Quarterly distribution for the period ended 30 September 2023	27/10/2023	7,295	1.400
Quarterly distribution for the period ended 31 December 2023	25/01/2024	7,279	1.400
		<u>14,574</u>	<u>2.800</u>
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		Distribution \$'000	Distribution per security cps
Quarterly distribution for the period ended 30 September 2022	28/10/2022	7,577	1.454
Quarterly distribution for the period ended 31 December 2022	27/01/2023	7,556	1.450
		<u>15,133</u>	<u>2.904</u>

Note 5. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Rental income	26,683	25,359
Recoverable outgoings	2,731	3,007
Straight-line of rental income	(2,375)	599
	<u>27,039</u>	<u>28,965</u>

Rental income from investment properties is recognised on a straight-line basis over the lease term.

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2023

Note 6. Trade and other receivables

	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Trade receivables	3,254	6,633
Less: Allowance for expected credit losses	<u>(480)</u>	<u>(283)</u>
	2,774	6,350
Other receivables	429	337
Goods and services tax receivable	<u>-</u>	<u>3</u>
	429	340
	3,203	6,690

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	%	%	\$'000	\$'000	\$'000	\$'000
Not overdue	-	-	1,178	5,095	-	-
30 - 90 days overdue	-	4%	737	694	-	31
90+ days overdue	27%	21%	1,768	1,184	480	252
			3,683	6,973	480	283

Note 7. Investment properties

	Date of last external valuation	Last external valuation \$'000	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Retail				
Ballina Central Shopping Centre, Ballina NSW	19/03/2023	54,000	54,000	54,000
Broadway Plaza, Punchbowl NSW	28/03/2023	57,000	55,500	57,000
Coomera Square, Coomera QLD	31/03/2023	80,000	80,300	80,000
Keppel Bay Plaza, Yeppoon QLD	31/12/2022	48,250	52,200	53,262
Mowbray Market Place, Mowbray TAS	31/12/2023	44,000	44,000	45,364
Rutherford Shopping Centre, Rutherford NSW	28/03/2023	23,750	23,800	23,750
Springfield Fair, Springfield QLD	31/03/2023	38,000	38,300	38,000
Tanilba Bay Shopping Centre, Tanilba Bay NSW	31/12/2023	23,000	23,000	22,794
The Hub Westlake, Westlake QLD	31/12/2022	12,600	-	11,500
The North Lakes Centre, North Lakes QLD	31/03/2023	8,000	-	8,000
Windaroo Village, Windaroo QLD	31/03/2023	10,400	-	10,400
Yeronga Village Shopping Centre, Yeronga QLD	31/12/2023	24,000	24,000	24,230
Total Retail Investment properties		423,000	395,100	428,300

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2023

Note 7. Investment properties (continued)

	Date of last external valuation	Last external valuation \$'000	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Medical				
Bowen Hills Day Surgery, Bowen Hills QLD	31/12/2023	16,750	16,750	16,900
Cambridge Day Surgery, Wembley WA	31/12/2022	8,350	8,300	8,336
Casuarina Medical Precinct, Casuarina NT	31/12/2023	13,600	13,600	14,648
Corrimal Private Health Centre, Corrimal NSW	03/04/2023	5,600	5,700	5,600
Dubbo Private Hospital, Dubbo NSW	31/12/2022	22,500	22,600	22,509
Highland Health Centre, Highland Park QLD	31/12/2023	8,400	8,400	8,800
Madeley Medical Centre, Madeley WA	31/12/2023	11,000	11,000	10,510
Mayo Private Hospital, Taree NSW	31/12/2022	52,800	52,800	52,817
Miami Day Hospital, Miami QLD	31/12/2022	22,705	21,700	22,750
Mildura Medical Centre, Mildura VIC	31/12/2022	4,100	4,100	4,119
North Ward Medical Centre, North Ward QLD	31/12/2023	9,900	9,900	12,743
North West Private Hospital, Cooee TAS	31/12/2022	42,800	42,900	42,913
Panaceum Medical Centre, Geraldton WA	31/12/2022	13,500	13,500	13,500
Parkwood Family Practice, Parkwood QLD	31/12/2022	8,000	7,000	7,000
Rosebery Convenience & Medical Centre, Rosebery NT	31/12/2023	9,300	9,300	8,513
Secret Harbour Medical Centre, Secret Harbour WA	31/12/2023	9,000	9,000	8,706
South Lake Medical Centre, South Lake WA	31/12/2022	9,000	9,000	9,007
St John of God Wembley Day Surgery, Wembley WA	31/12/2023	23,500	23,500	23,300
Sunshine Day Hospital, Sunshine VIC	31/12/2023	8,400	8,400	10,200
Swan Medical Centre, Midlands WA	31/12/2023	7,750	7,750	8,110
The Banyans Health & Wellness Centre, Clear Mountain QLD	31/12/2022	8,900	8,900	8,907
The Gold Coast Surgery Centre, Southport QLD	31/12/2023	18,000	18,000	20,763
Willetts Health Precinct, Mount Pleasant QLD	31/12/2022	17,450	17,700	17,563
Total Medical Investment properties		<u>351,305</u>	<u>349,800</u>	<u>358,214</u>
Total Investment properties		<u>774,305</u>	<u>744,900</u>	<u>786,514</u>

Reconciliation of the fair values at the beginning and end of the reporting periods are set out below:

	As at 31 Dec 2023 \$'000	As at 30 June 2023 \$'000
Opening fair value	786,514	798,245
Additions/(disposals)	(29,900)	1,958
Revaluation (decrements)/increments	(14,635)	(35,959)
Capital expenditure	5,090	26,335
Amortisation of lease incentives	(2,169)	(4,065)
Closing fair value	<u>744,900</u>	<u>786,514</u>

Disposals

In the six months to 31 December 2023 the Fund disposed of its 100% interest in 3 separate convenience-anchored neighbourhood retail assets:

- The Hub Westlake, located in Westlake, Queensland, settled 26th September 2023 at a contract price of \$11.46m.
- North Lakes Convenience Centre, located in North Lakes, Queensland, settled 12th October 2023 at a contract price of \$8.1m.
- Windaroo Village, located in Windaroo, Queensland, settled 24th October 2023 at a contract price of \$10.4m.

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2023

Note 7. Investment properties (continued)

Critical accounting estimate - Valuation of investment properties

Property assets are valued in accordance with the Fund's Property Valuation Policy. This Policy requires that all direct property assets be valued at Fair Value at each balance date. Fair Value is determined at least once every two years by an appropriately qualified independent valuer. In the intervening periods Fair Value is determined by the Investment Manager, after considering all relevant market-based information and circumstances.

Where the Investment Manager believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent valuer will be engaged to value the direct property assets in accordance with ordinary commercial practice and AIFRS.

The balance of the Stapled Fund's properties were valued by the Investment Manager using best practice market methodologies including discounted cash flow, capitalisation and comparison methodologies.

Significant unobservable inputs associated with the Stapled Fund's investment property valuations are set out below:

As at 31 Dec 2023	Consolidated Range	Consolidated Weighted Average	Retail Range	Retail Weighted Average	Medical Range	Medical Weighted Average
Passing rent (\$m)	0.04 - 5.52	2.64	1.53 - 5.52	3.83	0.04 - 2.90	1.31
Capitalisation rate (%)	4.75 - 8.00	5.80	5.50 - 6.50	5.95	4.75 - 8.00	5.63
Discount rate (%)	6.00 - 8.25	6.26	6.25 - 7.00	6.81	6.00 - 8.25	5.65
Lease expiry (years)	0.36 - 11.73	6.16	2.88 - 6.24	5.16	0.36 - 11.73	7.54
Occupancy (%)	7.30 - 100.00	97.03	83.74 - 100.00	98.71	7.30 - 100.00	94.81
As at 30 Jun 2023	Consolidated Range	Consolidated Weighted Average	Retail Range	Retail Weighted Average	Medical Range	Medical Weighted Average
Passing rent (\$m)	0.04 - 5.48	2.53	0.61 - 5.48	3.52	0.04 - 2.49	1.34
Capitalisation rate (%)	5.00 - 8.00	5.68	5.25 - 6.25	5.84	5.00 - 8.00	5.49
Discount rate (%)	4.50 - 8.50	6.69	6.00 - 8.00	6.80	4.50 - 8.50	6.55
Lease expiry (years)	1.00 - 13.38	6.44	2.10 - 11.39	5.74	1.00 - 13.38	7.44
Occupancy (%)	8.34 - 100.00	97.63	90.24 - 100.00	97.68	8.34 - 100.00	97.56

Note 8. Interest bearing liabilities

	As at 31 Dec 2023		As at 30 Jun 2023	
	Facility limit \$'000	Drawn amount \$'000	Facility limit \$'000	Drawn amount \$'000
<i>Current - secured</i>				
Westpac facility ⁽¹⁾	24,500	23,545	24,500	22,243
Less: Unamortised transaction costs	-	(3)	-	(24)
Total - current interest bearing liabilities	24,500	23,542	24,500	22,219
<i>Non-current - secured</i>				
Syndicated facility ⁽²⁾	300,000	265,856	300,000	280,140
Less: Unamortised transaction costs	-	(1,551)	-	(1,929)
Total - non-current interest bearing liabilities	300,000	264,305	300,000	278,211
Total - interest bearing liabilities	324,500	287,847	324,500	300,430

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2023

Note 8. Interest bearing liabilities (continued)

(1) Westpac facility

RARPF has a loan facility with Westpac for the Keppel Bay Plaza property acquisition and development. During the half year to 31 December 2023, \$1.3 million was drawn in relation to development expenditure. This loan facility was extended to February 2024 and the loan was classified as a current liability at 31 December 2023.

Subsequent to 31 December 2023, the loan facility with Westpac was repaid on 31 January 2024 and simultaneously Westpac was introduced into the syndicated facility as detailed in the Capital management section of the Directors' report.

(2) Syndicated facility

RAM Essential Services FinCo Pty Ltd, a jointly owned entity of the Stapled Fund, is the borrower for the syndicated debt facility. The Stapled Fund's syndicated debt facility is with the CBA. On 31 January 2024, a restructure of the syndicated facility was completed where Westpac was introduced, as a result, the syndicated facility limit was increased to \$340 million. The syndicated facility expires in June 2026. During the half-year to 31 December 2023 no additional draw-downs to the syndicated facility were made in relation to capital and development expenditure across the investment property portfolio.

Assets pledged as security

The bank overdraft and above loan facilities are secured by first mortgages over the Stapled Fund's investment properties.

Note 9. Issued securities

	As at 31 Dec 2023	As at 30 June 2023	As at 30 June 2023
Securities	\$'000	Securities	\$'000
<i>Parent entity - Movements during the year</i>			
Balance at beginning of year	260,542,047	260,542,047	246,733
Buy-back and cancellation of securities	<u>(564,550)</u>	<u>-</u>	<u>-</u>
	259,977,497	260,542,047	246,733
<i>Non-controlling interest - Movements during the year</i>			
Balance at beginning of year	260,542,047	260,542,047	255,568
Buy-back and cancellation of securities	<u>(564,550)</u>	<u>-</u>	<u>-</u>
	259,977,497	260,542,047	255,568
Total issued securities - fully paid	<u>519,954,994</u>	<u>521,084,094</u>	<u>502,301</u>

Ordinary securities

Ordinary securities entitle the holder to participate in distributions and the proceeds on the winding up of the Stapled Fund in proportion to the number of and amounts paid on the securities held. The fully paid ordinary securities have no par value and the Stapled Fund does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each security shall have one vote.

Security buy-back

On 21 November 2023, the Stapled Fund as part of its ongoing capital management strategy, commenced an on market buy-back program for 12 months which is intended to be funded by existing cash and undrawn facilities. As at 31 December 2023, 1,129,100 securities had been bought-back of which 1,129,100 securities were cancelled.

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2023

Note 10. Fair value measurement

The Stapled Fund uses a variety of methods to determine the fair values of its financial assets and financial liabilities. These methods include the following:

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

As at	Level 1	Level 2	Level 3	Total
31 Dec 2023	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>				
Investment properties - retail	-	-	395,100	395,100
Investment properties - medical	-	-	349,800	349,800
Financial instruments - cash flow hedge	-	2,800	-	2,800
Total assets	-	2,800	744,900	747,700

As at	Level 1	Level 2	Level 3	Total
30 Jun 2023	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>				
Investment properties - retail	-	-	428,300	428,300
Investment properties - medical	-	-	358,214	358,214
Financial instruments - cash flow hedge	-	5,614	-	5,614
Total assets	-	5,614	786,514	792,128

There were no transfers between levels during the reporting periods.

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

Direct property assets are valued in accordance with the Stapled Fund's Property Valuation Policy.

This Policy requires that all direct property assets be valued at Fair Value at each balance date. Fair Value is determined at least once every two years by an appropriately qualified independent property valuer.

In the intervening periods Fair Value is determined by the Responsible Entity, acting in good faith, after considering all relevant market-based information and circumstances.

Where the Responsible Entity or Investment Manager believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent property valuer will be engaged at each reporting period in consultation with the scheme auditor to value the direct property assets in accordance with ordinary commercial practice and AIFRS.

The balance of the Stapled Fund's properties were valued by the Responsible Entity using usual market adopted methodologies including capitalisation, discounted cash flow and comparison methodologies.

Note 11. Unrecognised items

Capital expenditure commitments

There were no material commitments in relation to capital expenditure or any other commitments contracted for at balance date (30 June 2023: \$nil).

Contingent assets and liabilities

There were no material contingent assets or contingent liabilities at balance date (30 June 2023: \$nil).

Note 12. Events after the reporting period

The following events have occurred since 31 December 2023:

- On 31 January 2024, RARPF successfully repaid the Westpac facility. Subsequently, the Stapled Fund entered into a broadened Syndicated Facility Agreement (SFA) that now includes both CBA and Westpac. Further details on the new SFA are contained in Note 8.

RAM Essential Services Property Fund
Notes to the financial statements
As at 31 December 2023

Note 12. Events after the reporting period (continued)

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected or may significantly affect:

- the Stapled Fund's operations in future years;
- the results of those operations in future financial years; or
- the Stapled Fund's state of affairs in future financial years.

RAM Essential Services Property Fund
Directors' declaration
As at 31 December 2023

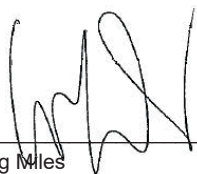
In the opinion of the directors' of the Responsible Entity:

- the attached consolidated financial statements and notes of the Stapled Fund comply with the *Corporations Act 2001 (Cth)*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001 (Cth)* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Stapled Fund's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Stapled Fund will be able to pay its debts as and when they become due and payable.

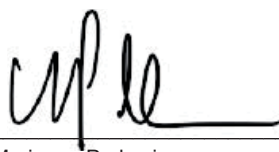
The directors have been given the management declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001 (Cth)*.

On behalf of the Board of the Responsible Entity



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

28 February 2024
Sydney

Independent auditor's review report to the Securityholders of RAM Essential Services Property Fund

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of RAM Essential Services Property Fund (the Fund), which comprises the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RAM Essential Services Property Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2023, and of its financial performance for the period ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors' of the Responsible Entity of the Fund a written Auditor's Independence Declaration.

Responsibility of Management and Directors of the Responsible Entity for the Half-Year Financial Report

Management is responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001*, and for such internal control as management determines is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

In preparing the half-year financial report, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The directors of the Responsible Entity are responsible for overseeing the Fund's financial reporting process.



Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of RAM Essential Services Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

A stylized, handwritten-style logo for PKF, with the letters 'PKF' in a bold, black, cursive font.

PKF

A handwritten signature in black ink, appearing to read 'Martin Matthews'.

MARTIN MATTHEWS
PARTNER

28 FEBRUARY 2024
NEWCASTLE, NSW

RAM Australia Retail Property Fund

ARSN 634 136 682

Interim Report - 31 December 2023

RAM Australia Retail Property Fund
Directors' report
As at 31 December 2023

The Directors of RAM Property Funds Management Limited ("RAM"), the Responsible Entity of RAM Australia Retail Property Fund ("the Fund" or "RARPF"), present their report together with the Financial Report made in accordance with a resolution of the Directors with respect to the results of the Fund and its controlled entities ("the consolidated entity") for the half-year ended 31 December 2023, the state of the consolidated entity's affairs as at 31 December 2023 and the Independent Auditor's Review Report thereon.

The Fund commenced on 28 September 2016 and RAM was appointed the Responsible Entity on 28 June 2019. RAM is an unlisted company incorporated under the *Corporations Act 2001 (Cth)* and holds an Australian Financial Services Licence.

On 20 October 2021, the Fund and its controlled entities were stapled to RAM Australia Medical Property Fund ("RAMPF") and its controlled entities to create RAM Essential Services Property Fund ("Stapled Fund"). RARPF was identified as the parent entity in relation to the stapling. The securities of RARPF and RAMPF cannot be traded or dealt with separately. The securities of the Stapled Fund are listed on the ASX.

Principal activity

The Fund is a registered managed investment scheme domiciled in Australia. The principal objective of the Fund is to invest in accordance with the investment objectives and guidelines set out in its current Product Disclosure Statement and in accordance with the provisions of its Constitution.

The principal activity of the Fund is to invest in commercial property in Australia.

Review of operations

	Half-year ended 31 Dec 2023	Half-year ended 31 Dec 2022
Statutory net profit/(loss) (\$m)	(4.52)	(2.74)
Funds from operations ("FFO") (\$m)	5.79	8.27
FFO per security (cps)	2.22	3.17
Distribution per security (cps)	2.95	3.34
	As at 31 Dec 2023	As at 30 Jun 2023
Total assets (\$m)	416.98	442.24
Investment properties (\$m)	395.10	428.30
Borrowings (\$m)	129.01	140.34
Net tangible assets ("NTA") (\$m)	235.94	248.09
NTA per security (\$)	0.91	0.95
Gearing (%)	28.61	31.14

Statutory profit

The results of the operations of the Fund are disclosed in the consolidated Statement of Profit or Loss and Other Comprehensive Income of this interim financial report. The Fund's loss for the half-year ended 31 December 2023 was \$4,515,000 (31 December 2022: \$2,736,000 loss).

The Fund's Net Tangible Assets ("NTA") is \$0.91 per security at 31 December 2023 (30 June 2023: \$0.95). The decrease in NTA is primarily due to downward investment property revaluations.

Property portfolio

Investment property valuations

The investment portfolio as at 31 December 2023 consisted of 9 retail shopping centres (30 June 2023: 12 retail shopping centres) valued at \$395,100,000 (30 June 2023: \$428,300,000).

The weighted average capitalisation rate for the portfolio is 5.95% as at 31 December 2023 (30 June 2023: 5.84%).

The Fund has engaged in external valuations for 3 of the 9 properties across the portfolio in the current half-year.

RAM Australia Retail Property Fund
Directors' report
As at 31 December 2023

Occupancy

As at 31 December 2023, the Fund's portfolio was 98.71% (30 June 2023: 97.68%) occupied with a weighted average lease expiry ("WALE") of 5.16 years (30 June 2023: 5.74 years).

Disposals

In the six months to 31 December 2023 the Fund disposed of its 100% interest in 3 separate convenience-anchored neighbourhood retail assets:

- The Hub Westlake, located in Westlake, Queensland, settled 26th September 2023 at a contract price of \$11.46m.
- North Lakes Convenience Centre, located in North Lakes, Queensland, settled 12th October 2023 at a contract price of \$8.1m.
- Windaroo Village, located in Windaroo, Queensland, settled 24th October 2023 at a contract price of \$10.4m.

Capital management

As of 31 December 2023, the Stapled Fund maintained access to aggregate debt facilities of \$324.5 million, with the weighted average expiry standing at 2.32 years (30 June 2023: 2.79 years). Our drawn borrowings were \$129.0 million, reflecting an all-in cost of funds at 5.11% for the half-year, compared to \$140.3 million and 3.98% in the prior period.

Subsequent to 31 December 2023, the Stapled Fund proceeded with a strategic restructure of its syndicated debt facilities to enhance financial flexibility. This restructure has refined its financial terms, expanding fund usage capabilities, including for operational capital and a redraw facility, and optimised its capital management strategies, facilitating more efficient asset management and capital deployment.

The Fund's gearing at 31 December 2023 was 28.61% (30 June 2023: 31.14%).

Distributions

Distributions paid or payable during the current and previous financial half-year were as follows:

		Half-year ended 31 Dec 2023	
		Distribution	Distribution per security
Date paid		\$'000	cps
Quarterly distribution for the period ended 30 September 2023	27/10/2023	3,842	1.475
Quarterly distribution for the period ended 31 December 2023	25/01/2024	3,842	1.478
		7,684	2.953
		Half-year ended 31 Dec 2022	
		Distribution	Distribution per security
Date paid		\$'000	cps
Quarterly distribution for the period ended 30 September 2022	28/10/2022	4,493	1.724
Quarterly distribution for the period ended 31 December 2022	27/01/2023	4,199	1.618
		8,692	3.342

The key dates in respect of the distribution for the quarter ended 31 December 2023 were:

Ex-distribution date:	28 December 2023
Record date:	29 December 2023
Distribution payment date:	25 January 2024

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Fund during the financial half-year other than those disclosed elsewhere in this Financial Report.

RAM Australia Retail Property Fund
Directors' report
As at 31 December 2023

Material business risks

There are a number of risks associated with investing in the Fund. These risks are addressed in the Fund's previous Financial Report.

Likely developments and expected results of operations

As disclosed above, there have been no significant changes in the principal activities of the Fund and the Fund will continue to operate in accordance with its investment objectives and Constitution.

Outlook for the Fund

The outlook for the Australian economy remains uncertain. Following the Reserve Bank of Australia's ("RBA") rate-hike cycle last year, inflation remains at elevated levels. Employment and wages remain robust, but consumer confidence is wavering. Given the backdrop, there's an emerging consensus view that we are entering a prolonged period of economic softening and that the RBA will hold interest rates higher for longer.

Against this backdrop, the Fund remains well positioned. Our portfolio's exposure is comprising retail properties with a non-discretionary income profile which historically has proven resilient to moderate economic slowdown. Our financial modelling and portfolio management decisions are consistent with this view and remain conservative through the years ending 30 June 2024 and 30 June 2025. The Fund's gearing is within the target range and covenants and maintains sufficient liquidity to achieve the stated objectives.

Directors and Company Secretary of the Responsible Entity

The following persons were directors and company secretary of the Responsible Entity of the Fund during the entire reporting period and up to the date of this report, unless otherwise stated:

Name	Appointed	Resigned	Position
Greg Miles	20 October 2021		Independent Non-Executive Chairman
Marianne Perkovic	20 October 2021		Independent Non-Executive Director
Bryce Mitchelson	20 October 2021		Independent Non-Executive Director
Scott Wehl	3 November 2018		Executive Director
Scott Kelly	3 November 2018		Executive Director & CEO
Stewart Chandler	1 September 2021		Company Secretary

Responsible Entity interests

The following fees were paid or payable to the Responsible Entity and related parties during the financial half-year:

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Accounting fees	130	147
Cost recoveries	93	279
Development management fees	-	1,106
Director fees	148	124
Investment management fees	1,396	1,473
Leasing fees	186	97
Registry fees	25	25
Trustee management fees	75	53
	2,053	3,304

Matters subsequent to the end of the financial half-year

The following events have occurred since 31 December 2023:

- Repayment of the Westpac facility (\$23.5m) and its incorporation into an enhanced syndicated facility shared with Commonwealth Bank of Australia (CBA) occurred on 31 January 2024.

**RAM Australia Retail Property Fund
Directors' report
As at 31 December 2023**

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected or may significantly affect:

- the Fund's operations in future financial years;
- the results of those operations in future financial years; or
- the Fund's state of affairs in future financial years.

Rounding of amounts

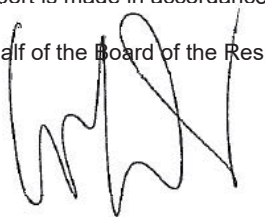
The Fund is of a kind referred to in *Corporations Instrument 2016/191*, issued by the *Australian Securities and Investments Commission*, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that *Corporations Instrument* to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) of the *Corporations Act 2001 (Cth)*.

On behalf of the Board of the Responsible Entity



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

28 February 2024
Sydney



PKF(NS) Audit & Assurance Limited Partnership

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of the Responsible Entity of the RAM Australia Retail Property Fund

I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of RAM Australia Retail Property Fund.

As lead audit partner for the review of the financial statements of RAM Australia Retail Property Fund for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

A stylized, handwritten-style logo for PKF in black ink.

PKF

A handwritten signature in black ink that reads 'Martin Matthews'.

MARTIN MATTHEWS
PARTNER

28 FEBRUARY 2024
NEWCASTLE, NSW

RAM Australia Retail Property Fund
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As at 31 December 2023

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General information

The financial statements cover RAM Australia Retail Property Fund as a Fund consisting of RAM Australia Retail Property Fund and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is RAM Australia Retail Property Fund's functional and presentation currency.

In the 30 June 2022 financial year, the Fund and its controlled entities were stapled to RAM Australia Medical Property Fund ("RAMPF") and its controlled entities to encompass the portfolio of RAM Essential Services Property Fund ("Stapled Fund"). The securities of the Stapled Fund are stapled to the units in RARPF and RAMPF. The units of RARPF and RAMPF cannot be traded or dealt with separately. The stapled securities of the RAM Essential Services Property Fund are listed on the ASX.

RAM Australia Retail Property Fund is an unlisted registered Managed Investment Trust, incorporated and domiciled in Australia.

Registered office

Suite 32.1
264 George Street
Sydney NSW 2000

Principal place of business

Suite 32.1
264 George Street
Sydney NSW 2000

RAM Australia Retail Property Fund
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Revenue			
Rent from investment properties	5	15,350	16,439
Interest revenue		8	2
Total revenue		<u>15,358</u>	<u>16,441</u>
Expenses			
Property expenses		(6,754)	(6,241)
Finance costs		(3,857)	(2,095)
Fund management fees		(1,421)	(1,668)
Net realised losses on disposal of investment properties		(1,573)	-
Net unrealised losses on revaluation of investment properties	7	(4,417)	(6,240)
Net unrealised losses on derivative financial instruments		(1,407)	(107)
Impairment of assets		-	(2,471)
Other expenses		(444)	(355)
Total expenses		<u>(19,873)</u>	<u>(19,177)</u>
Loss for the half-year attributable to the owners of RAM Australia Retail Property Fund		(4,515)	(2,736)
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year attributable to the owners of RAM Australia Retail Property Fund		<u>(4,515)</u>	<u>(2,736)</u>
		Cents	Cents
Basic earnings per security		(1.74)	(1.05)
Diluted earnings per security		(1.74)	(1.05)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

RAM Australia Retail Property Fund
Statement of financial position
As at 31 December 2023

	Note	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents		13,625	3,808
Trade and other receivables	6	1,890	1,722
Other current assets		<u>2,930</u>	<u>3,079</u>
Total current assets		<u>18,445</u>	<u>8,609</u>
Non-current assets			
Derivative financial instruments	10	1,400	2,807
Investment properties	7	395,100	428,300
Other non-current assets		<u>2,034</u>	<u>2,519</u>
Total non-current assets		<u>398,534</u>	<u>433,626</u>
Total assets		<u>416,979</u>	<u>442,235</u>
Liabilities			
Current liabilities			
Trade and other payables		7,125	6,605
Interest bearing loans and borrowings	8	<u>23,542</u>	<u>22,219</u>
Total current liabilities		<u>30,667</u>	<u>28,824</u>
Non-current liabilities			
Other payables		43,443	45,491
Interest bearing loans and borrowings	8	104,762	117,147
Other non-current liabilities		<u>135</u>	<u>173</u>
Total non-current liabilities		<u>148,340</u>	<u>162,811</u>
Total liabilities		<u>179,007</u>	<u>191,635</u>
Net assets		<u>237,972</u>	<u>250,600</u>
Securityholder's funds			
Issued securities	9	246,304	246,733
Undistributed profits/(accumulated losses)		<u>(8,332)</u>	<u>3,867</u>
Total securityholder's funds		<u>237,972</u>	<u>250,600</u>

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

RAM Australia Retail Property Fund
Statement of changes in equity
For the half-year ended 31 December 2023

	Issued securities \$'000	Undistributed profits \$'000	Total securityholder's funds \$'000
Balance at 1 July 2022	246,733	35,674	282,407
Loss for the half-year		(2,736)	(2,736)
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year		(2,736)	(2,736)
<i>Transactions with securityholders in their capacity as securityholders:</i>			
Distributions paid or payable (note 4)	-	(8,692)	(8,692)
Balance at 31 December 2022	<u>246,733</u>	<u>24,246</u>	<u>270,979</u>
	Issued securities \$'000	Undistributed profits \$'000	Total securityholder's funds \$'000
Balance at 1 July 2023	246,733	3,867	250,600
Loss for the half-year	-	(4,515)	(4,515)
Other comprehensive income for the half-year	-	-	-
Total comprehensive income for the half-year	-	(4,515)	(4,515)
<i>Transactions with securityholders in their capacity as securityholders:</i>			
Distributions paid or payable (note 4)	-	(7,684)	(7,684)
Buy-back of securities (note 9)	(428)	-	(428)
Transaction costs incurred in buy-back of securities (note 9)	(1)	-	(1)
Balance at 31 December 2023	<u>246,304</u>	<u>(8,332)</u>	<u>237,972</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

RAM Australia Retail Property Fund
Statement of cash flows
For the half-year ended 31 December 2023

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	17,179	16,473
Payments to suppliers (inclusive of GST)	(7,005)	(7,237)
Interest received	8	2
Interest and other finance costs paid	<u>(3,478)</u>	<u>(1,631)</u>
Net cash from operating activities	<u>6,704</u>	<u>7,607</u>
Cash flows from investing activities		
Payments for investment properties	(4,129)	(18,637)
Amounts advanced to related parties	-	(2,956)
Proceeds from disposal of investment properties	<u>28,256</u>	<u>-</u>
Net cash from/(used in) investing activities	<u>24,127</u>	<u>(21,593)</u>
Cash flows from financing activities		
Proceeds from borrowings	1,302	15,959
Payments for loan transaction costs	(6)	(140)
Distributions paid	(7,202)	(9,053)
Repayment of borrowings	(12,632)	-
Amounts loaned to related parties	(2,047)	-
Payments for buy-back of securities	(428)	-
Payments for buy-back transaction costs	<u>(1)</u>	<u>-</u>
Net cash from/(used in) financing activities	<u>(21,014)</u>	<u>6,766</u>
Net increase/(decrease) in cash and cash equivalents	9,817	(7,220)
Cash and cash equivalents at the beginning of the financial half-year	<u>3,808</u>	<u>11,483</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>13,625</u></u>	<u><u>4,263</u></u>

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

RAM Australia Retail Property Fund
Notes to the financial statements
As at 31 December 2023

Note 1. Summary of significant accounting policies

Basis of preparation

These condensed financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001 (Cth)*, as appropriate for for-profit oriented entities.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with any public announcements made in respect of the Stapled Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)*.

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

Going concern

As of 31 December 2023, the Fund faced a shortfall where its current liabilities of \$30,667,000 exceeded its current assets of \$18,445,000 by \$12,222,000. This situation marked an improvement from 30 June 2023, when the deficit was \$20,215,000, with liabilities at \$28,824,000 against assets of \$8,609,000.

The primary factor for this deficit at 31 December 2023 is the classification of the Fund's \$24.5 million Westpac debt facility as a current liability, ahead of its expiry in February 2024. In August 2023, the Fund secured an extension for this facility to 28 February 2024 as it engaged in negotiations to restructure its syndicated facility.

The restructuring was successfully completed in January 2024, allowing for the repayment of the Westpac facility and its incorporation into an enhanced syndicated facility with increased financial flexibility. This restructured facility, shared with Commonwealth Bank of Australia (CBA) and Westpac, now set to expire in June 2026, will be recognised as a non-current liability.

Given these developments, the Fund's financial report for this period has been prepared on a going concern basis, reflecting the Directors' confidence in the Fund's ability to manage its financial obligations.

Presentation changes and comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current half-year.

New or amended Accounting Standards and Interpretations adopted

For the Fund, no new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") have come into effect for the current reporting period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Fund for the half-year ended 31 December 2023. The Fund has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in preparation of these financial statements are incorrect are:

Trade and other receivables	Note 6
Investment properties	Note 7

Note 3. Segment reporting

The Fund is organised into one operating segment; being to invest in accordance with the investment objectives and guidelines set out in its current Product Disclosure Statement and in accordance with the provisions of its Constitution. This singular operating segment is based on the internal reports that are provided to the chief operating decision maker to facilitate strategic decisions.

The Responsible Entity has been identified as the Fund's chief operating decision maker.

RAM Australia Retail Property Fund
Notes to the financial statements
As at 31 December 2023

Note 3. Segment reporting (continued)

Note 4. Distributions

Distributions paid or payable during the current and previous financial half-year were as follows:

	Date paid	Half-year ended 31 Dec 2023	
		Distribution \$'000	Distribution per security cps
Quarterly distribution for the period ended 30 September 2023	27/10/2023	3,842	1.475
Quarterly distribution for the period ended 31 December 2023	25/01/2024	3,842	1.478
		7,684	2.953
		Half-year ended 31 Dec 2022	
	Date paid	Distribution \$'000	Distribution per security cps
Quarterly distribution for the period ended 30 September 2022	28/10/2022	4,493	1.724
Quarterly distribution for the period ended 31 December 2022	27/01/2023	4,199	1.618
		8,692	3.342

Note 5. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Rental income	14,175	14,487
Recoverable outgoings	1,660	1,908
Straight-line of rental revenue	(485)	44
	15,350	16,439

Rental income from investment properties is recognised on a straight-line basis over the lease term.

RAM Australia Retail Property Fund
Notes to the financial statements
As at 31 December 2023

Note 6. Trade and other receivables

	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Trade receivables	2,012	1,834
Less: Allowance for expected credit losses	<u>(359)</u>	<u>(254)</u>
	1,653	1,580
Other receivables	237	139
Goods and services tax receivable	-	3
	<u>237</u>	<u>142</u>
	1,890	1,722

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	%	%	\$'000	\$'000	\$'000	\$'000
Not overdue	-	-	701	642	-	-
30 - 90 days overdue	-	9%	394	364	-	31
90+ days overdue	31%	23%	<u>1,154</u>	<u>970</u>	<u>359</u>	<u>223</u>
			<u>2,249</u>	<u>1,976</u>	<u>359</u>	<u>254</u>

Note 7. Investment properties

	Date of last external valuation	Last external valuation \$'000	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Ballina Central Shopping Centre, Ballina NSW	19/03/2023	54,000	54,000	54,000
Broadway Plaza, Punchbowl NSW	28/03/2023	57,000	55,500	57,000
Coomera Square, Coomera QLD	31/03/2023	80,000	80,300	80,000
Keppel Bay Plaza, Yeppoon QLD	31/12/2022	48,250	52,200	53,262
Mowbray Market Place, Mowbray TAS	31/12/2023	44,000	44,000	45,364
Rutherford Shopping Centre, Rutherford NSW	28/03/2023	23,750	23,800	23,750
Springfield Fair, Springfield QLD	31/03/2023	38,000	38,300	38,000
Tanilba Bay Shopping Centre, Tanilba Bay NSW	31/12/2023	23,000	23,000	22,794
The Hub Westlake, Westlake QLD	31/12/2022	12,600	-	11,500
The North Lakes Centre, North Lakes QLD	31/03/2023	8,000	-	8,000
Windaroo Village, Windaroo QLD	31/03/2023	10,400	-	10,400
Yeronga Village Shopping Centre, Yeronga QLD	31/12/2023	<u>24,000</u>	24,000	<u>24,230</u>
Total Investment properties		<u>423,000</u>	395,100	<u>428,300</u>

RAM Australia Retail Property Fund
Notes to the financial statements
As at 31 December 2023

Note 7. Investment properties (continued)

Disposals

In the six months to 31 December 2023 the Fund disposed of its 100% interest in 3 separate convenience-anchored neighbourhood retail assets:

- The Hub Westlake, located in Westlake, Queensland, settled 26th September 2023 at a contract price of \$11.46m.
- North Lakes Convenience Centre, located in North Lakes, Queensland, settled 12th October 2023 at a contract price of \$8.1m.
- Windaroo Village, located in Windaroo, Queensland, settled 24th October 2023 at a contract price of \$10.4m.

Reconciliation of the fair values at the beginning and end of the reporting periods are set out below:

	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Opening fair value	428,300	431,470
Additions/(disposals)	(29,900)	-
Revaluation (decrements)/increments	(4,417)	(24,124)
Capital expenditure	3,045	24,699
Amortisation of lease incentives	(1,928)	(3,745)
Closing fair value	<u>395,100</u>	<u>428,300</u>

Critical accounting estimate - Valuation of investment properties

Property assets are valued in accordance with the Fund's Property Valuation Policy. This Policy requires that all direct property assets be valued at Fair Value at each balance date. Fair Value is determined at least once every two years by an appropriately qualified independent valuer. In the intervening periods Fair Value is determined by the Investment Manager, after considering all relevant market-based information and circumstances.

Where the Investment Manager believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent valuer will be engaged to value the direct property assets in accordance with ordinary commercial practice and AIFRS.

The balance of the Fund's properties were valued by the Investment Manager using best practice market methodologies including discounted cash flow, capitalisation and comparison methodologies.

Significant unobservable inputs associated with the Fund's investment property valuations are set out below:

As at 31 Dec 2023	Range	Weighted average
Passing rent (\$m)	1.53 - 5.52	3.83
Capitalisation rate (%)	5.50 - 6.50	5.95
Discount rate (%)	6.25 - 7.00	6.81
Lease expiry (years)	2.88 - 6.24	5.16
Occupancy (%)	83.74 - 100.00	98.71
As at 30 Jun 2023	Range	Weighted average
Passing rent (\$m)	0.61 - 5.48	3.52
Capitalisation rate (%)	5.25 - 6.25	5.84
Discount rate (%)	6.00 - 8.00	6.80
Lease expiry (years)	2.10 - 11.39	5.74
Occupancy (%)	90.24 - 100.00	97.68

RAM Australia Retail Property Fund
Notes to the financial statements
As at 31 December 2023

Note 8. Interest bearing liabilities

	As at 31 Dec 2023		As at 30 Jun 2023	
	Facility limit \$'000	Drawn amount \$'000	Facility limit \$'000	Drawn amount \$'000
<i>Current - secured</i>				
Westpac facility ⁽¹⁾	24,500	23,545	24,500	22,243
Less: Unamortised transaction costs	-	(3)	-	(24)
Total - current interest bearing liabilities	24,500	23,542	24,500	22,219
<i>Non-current - secured</i>				
Syndicated facility ⁽²⁾	300,000	105,469	300,000	118,100
Less: Unamortised transaction costs	-	(707)	-	(953)
Total - non-current interest bearing liabilities	300,000	104,762	300,000	117,147
Total - interest bearing liabilities	324,500	128,304	324,500	139,366

(1) Westpac facility

At 31 December 2023, the Fund held a loan facility with Westpac for the Keppel Bay Plaza property acquisition and development. During the half-year \$1.3 million was drawn in relation to development expenditure. This loan facility was extended to February 2024 and the loan was classified as a current liability at 31 December 2023.

Subsequent to 31 December 2023, the loan facility with Westpac was repaid on 31 January 2024 and simultaneously Westpac was introduced into the syndicated facility as detailed in the Capital management section of the Directors' report.

(2) Syndicated facility

RAM Essential Services FinCo Pty Ltd, a jointly owned entity of the Stapled Fund, is the borrower for the syndicated debt facility. The Stapled Fund's syndicated debt facility is with the CBA. On 31 January 2024, a restructure of the syndicated facility was completed where Westpac was introduced, as a result, the syndicated facility limit was increased to \$340 million. The syndicated facility expires in June 2026. During the half-year to 31 December 2023 no additional draw-downs to the syndicated facility were made in relation to capital and development expenditure across the investment property portfolio.

Assets pledged as security

The bank overdraft and above loan facilities are secured by first mortgages over the Stapled Fund's investment properties.

Note 9. Issued securities

	31 Dec 2023 No. of Securities	31 Dec 2023 \$'000	30 Jun 2023 No. of Securities	30 Jun 2023 \$'000
	<i>Movements during the year</i>			
Balance at beginning of year	260,542,047	246,733	260,542,047	246,733
Buy-back and cancellation of securities	(564,550)	(429)	-	-
Total issued securities - fully paid	259,977,497	246,304	260,542,047	246,733

Ordinary securities

Ordinary securities entitle the holder to participate in distributions and the proceeds on the winding up of the Stapled Fund in proportion to the number of and amounts paid on the securities held. The fully paid ordinary securities have no par value and the Stapled Fund does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each security shall have one vote.

RAM Australia Retail Property Fund
Notes to the financial statements
As at 31 December 2023

Note 9. Issued securities (continued)

Securities buy-back

On 21 November 2023, RAM Essential Services Property Fund as part of its ongoing capital management strategy, commenced an on market buy-back program for 12 months which is intended to be funded by existing cash and undrawn facilities. As at 31 December 2023, 1,129,100 securities had been bought-back of which 1,129,100 securities were cancelled. Half of these securities (564,550) were allocated to RARPF.

Note 10. Fair value measurement

The Fund uses a variety of methods to determine the fair values of its financial assets and financial liabilities. These methods include the following:

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

As at 31 Dec 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Financial Assets</i>				
Investment properties	-	-	395,100	395,100
Financial instruments - cash flow hedge	-	1,400	-	1,400
Total assets	-	1,400	395,100	396,500

As at 30 Jun 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Financial Assets</i>				
Investment properties	-	-	428,300	428,300
Financial instruments - cash flow hedge	-	2,807	-	2,807
Total assets	-	2,807	428,300	431,107

There were no transfers between levels during the reporting periods.

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

Direct property assets are valued in accordance with the Fund's Property Valuation Policy.

This Policy requires that all direct property assets be valued at Fair Value at each balance date. Fair Value is determined at least once every two years by an appropriately qualified independent property valuer.

In the intervening periods Fair Value is determined by the Responsible Entity, acting in good faith, after considering all relevant market-based information and circumstances.

Where the Responsible Entity or Investment Manager believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent property valuer will be engaged at each reporting period in consultation with the scheme auditor to value the direct property assets in accordance with ordinary commercial practice and AIFRS.

The balance of the Fund's properties were valued by the Responsible Entity using usual market adopted methodologies including capitalisation, discounted cash flow and comparison methodologies.

RAM Australia Retail Property Fund
Notes to the financial statements
As at 31 December 2023

Note 11. Interests in joint operations

RARPF holds a 50% interest in RAM Essential Services FinCo Pty Ltd ("FinCo"), a joint arrangement structured as a financing entity for RARPF and RAMPF. The primary purpose of the joint arrangement is to facilitate debt funding on behalf of the joint operators. The arrangement allows for RARPF and RAMPF to draw down on the debt facility held by FinCo. Under the agreement, each party is liable for the portion of used debt facility and the associated costs such as interest and other finance charges. The parties are also entitled to the assets created from the arrangement by the generation of funds to be used in their operations.

FinCo is a contractually established entity and is classified as a joint operation. Accordingly, RARPF's interest in the assets, liabilities, revenues and expenses attributable to the joint arrangement have been included in the appropriate line items in the consolidated financial statements.

Name	Principal place of business	Ownership interest	
		31 Dec 2023	30 Jun 2023
		%	%
RAM Essential Services FinCo Pty Ltd	Australia	50.00%	50.00%

The Fund has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations using the equity method of accounting in accordance with AASB 128 *Investments in Associates and Joint Ventures*. These have been incorporated in the financial statements under the appropriate classifications.

Note 12. Unrecognised items

Capital expenditure commitments

There were no material commitments in relation to capital expenditure or any other commitments contracted for at balance date (30 June 2023: \$nil).

Contingent assets and liabilities

There were no material contingent assets or contingent liabilities at balance date (30 June 2023: \$nil).

Note 13. Events after the reporting period

The following events have occurred since 31 December 2023:

- On 31 January 2024, the Fund successfully repaid the Westpac facility. Subsequently, the Stapled Fund entered into a broadened Syndicated Facility Agreement (SFA) that now includes both CBA and Westpac. Further details on the new SFA are contained in Note 8.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected or may significantly affect:

- the Fund's operation in future financial years;
- the results of those operations in future financial years; or
- the Fund's state of affairs in future financial years.

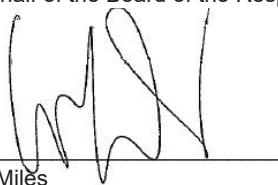
**RAM Australia Retail Property Fund
Directors' declaration
As at 31 December 2023**

In the opinion of the directors' of the Responsible Entity:

- the attached consolidated financial statements and notes of the Fund comply with the *Corporations Act 2001 (Cth)*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001 (Cth)* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001 (Cth)*.

On behalf of the Board of the Responsible Entity



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

28 February 2024
Sydney



PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

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Independent auditor's review report to the Unitholders of RAM Australia Retail Property Fund

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of RAM Australia Retail Property Fund (the Fund), which comprises the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RAM Australia Retail Property Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2023, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors' of the Responsible Entity of the Fund a written Auditor's Independence Declaration.

Responsibility of Management and Directors of the Responsible Entity for the Half-Year Financial Report

Management is responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001*, and for such internal control as management determines is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

In preparing the half-year financial report, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The directors of the Responsible Entity are responsible for overseeing the Fund's financial reporting process.



Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of RAM Australia Retail Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

The PKF logo, consisting of the letters 'PKF' in a bold, black, sans-serif font.

PKF

A handwritten signature in black ink that reads 'Martin Matthews'.

MARTIN MATTHEWS
PARTNER

28 FEBRUARY 2024
NEWCASTLE, NSW

RAM Australia Medical Property Fund

ARSN 645 964 601

Interim Report - 31 December 2023

RAM Australia Medical Property Fund
Directors' report
As at 31 December 2023

The Directors of RAM Property Funds Management Limited ("RAM"), the Responsible Entity of RAM Australia Medical Property Fund ("the Fund" or "RAMPF"), present their report together with the Financial Report made in accordance with a resolution of the Directors with respect to the results of the Fund and its controlled entities ("the consolidated entity") for the half-year ended 31 December 2023, the state of the consolidated entity's affairs as at 31 December 2023 and the Independent Auditor's Review Report thereon.

The Fund commenced on 28 August 2018 and RAM was appointed the Responsible Entity on 8 September 2021. RAM is an unlisted company incorporated under the *Corporations Act 2001 (Cth)* and holds an Australian Financial Services Licence.

On 20 October 2021 the Fund and its controlled entities were stapled to RAM Australia Retail Property Fund ("RARPF") and its controlled entities to create RAM Essential Services Property Fund ("Stapled Fund"). RARPF was identified as the parent entity in relation to the stapling. The securities of RARPF and RAMPF cannot be traded or dealt with separately. The securities of the Stapled Fund are listed on the ASX.

Principal activity

The Fund is a registered managed investment scheme domiciled in Australia. The principal objective of the Fund is to invest in accordance with the investment objectives and guidelines set out in its current Product Disclosure Statement and in accordance with the provisions of its Constitution.

The principal activity of the Fund is to invest in commercial property in Australia.

Review of operations

	Half-year ended 31 Dec 2023	Half-year ended 31 Dec 2022
Statutory net profit/(loss) (\$m)	(7.82)	6.06
Funds from operations ("FFO") (\$m)	6.28	6.13
FFO per security (cps)	2.41	2.35
Distribution per security (cps)	2.65	2.47
	As at 31 Dec 2023	As at 30 Jun 2023
Total assets (\$m)	407.96	421.58
Investment properties (\$m)	349.80	358.21
Borrowings (\$m)	160.39	162.04
Net tangible assets ("NTA") (\$m)	241.98	255.16
NTA per security (\$)	0.93	0.98
Gearing (%)	43.65	42.00

Statutory profit

The results of the operations of the Fund are disclosed in the consolidated Statement of Profit or Loss and Other Comprehensive Income of this interim financial report. The Fund's loss for the half-year ended 31 December 2023 was \$7,815,000 (31 December 2022: \$6,061,000 profit).

The Fund's Net Tangible Assets ("NTA") is \$0.93 per security at 31 December 2023 (30 June 2023: \$0.98). The decrease in NTA is primarily due to downward investment property revaluations.

Property portfolio

Investment property valuations

The investment portfolio as at 31 December 2023 consisted of 23 medical properties (30 June 2023: 23 medical properties) valued at \$349,800,000 (30 June 2023: \$358,214,000).

The weighted average capitalisation rate for the portfolio is 5.63% as at 31 December 2023 (30 June 2023: 5.49%).

The Fund has engaged external valuations for 11 of the 23 properties across the portfolio in the current half-year.

Occupancy

As at 31 December 2023, the Fund's portfolio was 94.81% (30 June 2023: 97.56%) occupied with a weighted average lease expiry ("WALE") of 7.54 years (30 June 2023: 7.44 years).

RAM Australia Medical Property Fund
Directors' report
As at 31 December 2023

Capital management

As at 31 December 2023, the Stapled Fund had available aggregate debt facilities of \$324.5 million with a weighted average expiry of 2.32 years (30 June 2023: \$324.5 million, 2.79 years). Drawn borrowings in relation to the Fund totalled \$160.4 million with an all in cost of funds for the half-year being 4.66% (30 June 2023: \$162.0 million, 3.60%).

Subsequent to 31 December 2023, the Stapled Fund proceeded with a strategic restructure of its syndicated debt facilities to enhance financial flexibility. This restructure has refined its financial terms, expanding fund usage capabilities, including for operational capital and a redraw facility, and optimised its capital management strategies, facilitating more efficient asset management and capital deployment.

The Fund's gearing at 31 December 2023 was 43.64% (30 June 2023: 42.00%).

Distributions

Distributions paid or payable during the current and previous financial half-year were as follows:

		Half-year ended 31 Dec 2023	
		Distribution	Distribution per security
Date paid		\$'000	cps
Quarterly distribution for the period ended 30 September 2023	27/10/2023	3,453	1.325
Quarterly distribution for the period ended 31 December 2023	25/01/2024	3,437	1.322
		6,890	2.647
		Half-year ended 31 Dec 2022	
		Distribution	Distribution per security
Date paid		\$'000	cps
Quarterly distribution for the period ended 30 September 2022	28/10/2022	3,084	1.184
Quarterly distribution for the period ended 31 December 2022	27/01/2023	3,357	1.288
		-	-
		6,441	2.472

The key dates in respect of the distribution for the quarter ended 31 December 2023 were:

Ex-distribution date:	28 December 2023
Record date:	29 December 2023
Distribution payment date:	25 January 2024

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Fund during the financial half-year.

Material business risks

There are a number of risks associated with investing in the Fund. These risks are addressed in the Fund's previous Financial Report.

Likely developments and expected results of operations

As disclosed above, there have been no significant changes in the principal activities of the Fund and the Fund will continue to operate in accordance with its investment objectives and Constitution.

RAM Australia Medical Property Fund
Directors' report
As at 31 December 2023

Outlook for the Fund

The outlook for the Australian economy remains uncertain. Following the Reserve Bank of Australia's ("RBA") rate-hike cycle over the last 12 months, inflation remains at elevated levels, employment and wages remain robust, but consumer confidence is wavering. Given the backdrop, there's an emerging consensus view that we are entering a prolonged period of economic softening and that the RBA will hold interest rates higher for longer.

Against this backdrop, the Fund remains well positioned. Our portfolio has significant income exposure to non-discretionary, medical operations which are historically resilient during moderate economic slowdown. Our financial modelling and portfolio management decisions are consistent with this view and remain conservative through the years ending 30 June 2024 and 30 June 2025. The Fund's gearing is within the target range and covenants and maintains sufficient liquidity to achieve the Fund's stated objectives.

Directors and Company Secretary of the Responsible Entity

The following persons were directors and company secretary of the Responsible Entity of the Fund during the entire reporting period and up to the date of this report, unless otherwise stated:

Name	Appointed	Resigned	Position
Greg Miles	20 October 2021		Independent Non-Executive Chairman
Marianne Perkovic	20 October 2021		Independent Non-Executive Director
Bryce Mitchelson	20 October 2021		Independent Non-Executive Director
Scott Wehl	3 November 2018		Executive Director
Scott Kelly	3 November 2018		Executive Director & CEO
Stewart Chandler	1 September 2021		Company Secretary

Responsible Entity interests

The following fees were paid or payable to the Responsible Entity and related parties during the financial half-year:

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Accounting fees	132	139
Cost recoveries	97	365
Directors fees	148	126
Investment management fees	1,212	1,225
Leasing fees	9	7
Property acquisition fees	-	13
Trustee management fees	75	52
	1,673	1,927

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2023 that has significantly affected or may significantly affect:

- the Fund's operations in future financial years;
- the results of those operations in future financial years; or
- the Fund's state of affairs in future financial years.

Rounding of amounts

The Fund is of a kind referred to in *Corporations Instrument 2016/191*, issued by the *Australian Securities and Investments Commission*, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with that *Corporations Instrument* to the nearest thousand dollars, or in certain cases, the nearest dollar.

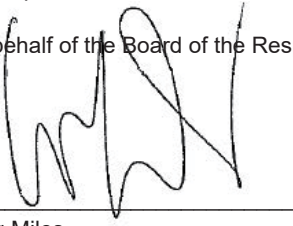
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out immediately after this Directors' Report.

**RAM Australia Medical Property Fund
Directors' report
As at 31 December 2023**

This report is made in accordance with a resolution of directors, pursuant to section 306(3) of the *Corporations Act 2001 (Cth)*.

On behalf of the Board of the Responsible Entity



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

28 February 2024
Sydney



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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of the Responsible Entity of the RAM Australia Medical Property Fund

I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of the RAM Australia Medical Property Fund.

As lead audit partner for the review of the financial statements of RAM Australia Medical Property Fund for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

The PKF logo, consisting of the letters 'PKF' in a stylized, bold, black font.

PKF

A handwritten signature in black ink that reads 'Martin Matthews'.

MARTIN MATTHEWS
PARTNER

28 FEBRUARY 2024
NEWCASTLE, NSW

RAM Australia Medical Property Fund
Contents
As at 31 December 2023

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Independent auditor's report to the members of RAM Australia Medical Property Fund	19

General information

The financial statements cover RAM Australia Medical Property Fund as a Fund consisting of RAM Australia Medical Property Fund and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is RAM Australia Medical Property Fund's functional and presentation currency.

In the 30 June 2022 financial year, the Fund and its controlled entities were stapled to RAM Australia Retail Property Fund ("RARPF") and its controlled entities to encompass the portfolio of RAM Essential Services Property Fund ("Stapled Fund"). The securities of the Stapled Fund are stapled to the units in RAMPF and RARPF. The units of RAMPF and RARPF cannot be traded or dealt with separately. The stapled securities of the RAM Essential Services Property Fund are listed on the ASX.

RAM Australia Medical Property Fund is an unlisted registered Management Investment Trust, incorporated and domiciled in Australia.

Registered office

Suite 32.1
264 George Street
Sydney NSW 2000

Principal place of business

Suite 32.1
264 George Street
Sydney NSW 2000

RAM Australia Medical Property Fund
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Revenue			
Rent from investment properties	5	11,689	12,526
Total revenue		11,689	12,526
Expenses			
Property expenses		(2,128)	(1,910)
Finance costs		(4,088)	(2,523)
Fund management fees		(1,212)	(1,422)
Net unrealised losses on revaluation of investment properties	7	(10,218)	(138)
Net unrealised losses on derivative financial instruments		(1,407)	(107)
Other expenses		(451)	(365)
Total expenses		(19,504)	(6,465)
Profit/(loss) for the half-year attributable to the owners of RAM Australia Medical Property Fund		(7,815)	6,061
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year attributable to the owners of RAM Australia Medical Property Fund		(7,815)	6,061
		Cents	Cents
Basic earnings per security		(3.01)	2.33
Diluted earnings per security		(3.01)	2.33

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

RAM Australia Medical Property Fund
Statement of financial position
As at 31 December 2023

	Note	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents		4,885	8,144
Trade and other receivables	6	1,313	4,968
Other current assets		7,121	1,960
Total current assets		13,319	15,072
Non-current assets			
Derivative financial instruments	10	1,400	2,807
Investment properties	7	349,800	358,214
Other receivables		43,443	45,491
Total non-current assets		394,643	406,512
Total assets		407,962	421,584
Liabilities			
Current liabilities			
Trade and other payables		6,084	4,997
Total current liabilities		6,084	4,997
Non-current liabilities			
Interest bearing loans and borrowings	8	159,543	161,064
Other non-current liabilities		3,742	1,852
Total non-current liabilities		163,285	162,916
Total liabilities		169,369	167,913
Net assets		238,593	253,671
Securityholder's funds			
Issued securities	9	255,195	255,568
Accumulated losses		(16,602)	(1,897)
Total securityholder's funds		238,593	253,671

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

RAM Australia Medical Property Fund
Statement of changes in equity
For the half-year ended 31 December 2023

	Issued securities \$'000	Undistributed profits \$'000	Total securityholder's funds \$'000
Balance at 1 July 2022	255,363	12,852	268,215
Profit for the half-year	-	6,061	6,061
Other comprehensive income for the half-year	-	-	-
Total comprehensive income for the half-year	-	6,061	6,061
<i>Transactions with securityholders in their capacity as securityholders:</i>			
Distributions paid or payable (note 4)	-	(6,441)	(6,441)
Balance at 31 December 2022	<u>255,363</u>	<u>12,472</u>	<u>267,835</u>
	Issued securities \$'000	Undistributed profits \$'000	Total securityholder's funds \$'000
Balance at 1 July 2023	255,568	(1,897)	253,671
Loss for the half-year	-	(7,815)	(7,815)
Other comprehensive income for the half-year	-	-	-
Total comprehensive income for the half-year	-	(7,815)	(7,815)
<i>Transactions with securityholders in their capacity as securityholders:</i>			
Distributions paid or payable (note 4)	-	(6,890)	(6,890)
Buy-back of securities (note 9)	(372)	-	(372)
Transaction costs incurred in buy-back of securities (note 9)	(1)	-	(1)
Balance at 31 December 2023	<u>255,195</u>	<u>(16,602)</u>	<u>238,593</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

RAM Australia Medical Property Fund
Statement of cash flows
For the half-year ended 31 December 2023

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	17,595	12,475
Payments to suppliers (inclusive of GST)	(7,937)	(4,657)
Interest and other finance costs paid	(3,750)	(2,201)
	<hr/>	<hr/>
Net cash from operating activities	5,908	5,617
Cash flows from investing activities		
Payments for investment properties	(2,042)	(5,910)
Amounts advanced from related parties	-	2,954
	<hr/>	<hr/>
Net cash used in investing activities	(2,042)	(2,956)
Cash flows from financing activities		
Proceeds from borrowings	-	4,903
Payments for loan transaction costs	(18)	(66)
Distributions paid	(7,128)	(6,101)
Repayment of borrowings	(1,653)	-
Amounts borrowed from related parties	2,047	-
Payments for buy-back of securities	(372)	-
Payments for buy-back transaction costs	(1)	-
	<hr/>	<hr/>
Net cash used in financing activities	(7,125)	(1,264)
Net increase/(decrease) in cash and cash equivalents	(3,259)	1,397
Cash and cash equivalents at the beginning of the financial half-year	8,144	4,340
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	4,885	5,737
	<hr/> <hr/>	<hr/> <hr/>

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

RAM Australia Medical Property Fund
Notes to the financial statements
As at 31 December 2023

Note 1. Summary of significant accounting policies

Basis of preparation

These condensed financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001 (Cth)*, as appropriate for for-profit oriented entities.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with any public announcements made in respect of the Stapled Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001 (Cth)*.

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

The financial statements have been prepared on a going concern basis.

Presentation changes and comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current half-year.

New or amended Accounting Standards and Interpretations adopted

For the Fund, no new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") have come into effect for the current reporting period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Fund for the half-year ended 31 December 2023. The Fund has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in preparation of these financial statements are incorrect are:

Trade and other receivables	Note 6
Investment properties	Note 7

Note 3. Segment reporting

The Fund is organised into one operating segment; being to invest in accordance with the investment objectives and guidelines set out in its current Product Disclosure Statement and in accordance with the provisions of its Constitution. This singular operating segment is based on the internal reports that are provided to the chief operating decision maker to facilitate strategic decisions.

The Responsible Entity has been identified as the Fund's chief operating decision maker.

RAM Australia Medical Property Fund
Notes to the financial statements
As at 31 December 2023

Note 4. Distributions

Distributions paid or payable during the current and previous financial half-year were as follows:

	Date paid	Half-year ended 31 Dec 2023	
		Distribution	Distribution per security
		\$'000	cps
Quarterly distribution for the period ended 30 September 2023	27/10/2023	3,453	1.325
Quarterly distribution for the period ended 31 December 2023	25/01/2024	3,437	1.322
		6,890	2.647
Half-year ended 31 Dec 2022			
	Date paid	Distribution	Distribution per security
		\$'000	cps
Quarterly distribution for the period ended 30 September 2022	28/10/2022	3,084	1.184
Quarterly distribution for the period ended 31 December 2022	27/01/2023	3,357	1.288
		6,441	2.472

Note 5. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000
Rental income	12,508	10,872
Recoverable outgoings	1,071	1,099
Straight-line of rental revenue	(1,890)	555
	11,689	12,526

Rental income from investment properties is recognised on a straight-line basis over the lease term.

Note 6. Trade and other receivables

	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Trade receivables	1,242	4,799
Less: Allowance for expected credit losses	(121)	(29)
	1,121	4,770
Other receivables	192	198
	1,313	4,968

RAM Australia Medical Property Fund
Notes to the financial statements
As at 31 December 2023

Note 6. Trade and other receivables (continued)

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	31 Dec 2023 %	30 Jun 2023 %	31 Dec 2023 \$'000	30 Jun 2023 \$'000	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Not overdue	-	-	477	4,453	-	-
30 - 90 days overdue	-	-	343	330	-	-
90+ days overdue	20%	14%	614	214	121	29
			1,434	4,997	121	29

Note 7. Investment properties

	Date of last external valuation	Last external valuation \$'000	As at 31 Dec 2023 \$'000	As at 30 Jun 2023 \$'000
Bowen Hills Day Surgery, Bowen Hills QLD	31/12/2023	16,750	16,750	16,900
Cambridge Day Surgery, Wembley WA	31/12/2022	8,350	8,300	8,336
Casuarina Medical Precinct, Casuarina NT	31/12/2023	13,600	13,600	14,648
Corrimal Private Health Centre, Corrimal NSW	03/04/2023	5,600	5,700	5,600
Dubbo Private Hospital, Dubbo NSW	31/12/2022	22,500	22,600	22,509
Highland Health Centre, Highland Park QLD	31/12/2023	8,400	8,400	8,800
Madeley Medical Centre, Madeley WA	31/12/2023	11,000	11,000	10,510
Mayo Private Hospital, Taree NSW	31/12/2022	52,800	52,800	52,817
Miami Day Hospital, Miami QLD	31/12/2022	22,705	21,700	22,750
Mildura Medical Centre, Mildura VIC	31/12/2022	4,100	4,100	4,119
North Ward Medical Centre, North Ward QLD	31/12/2023	9,900	9,900	12,743
North West Private Hospital, Cooee TAS	31/12/2022	42,800	42,900	42,913
Panaceum Medical Centre, Geraldton WA	31/12/2022	13,500	13,500	13,500
Parkwood Family Practice, Parkwood QLD	31/12/2022	8,000	7,000	7,000
Rosebery Convenience & Medical Centre, Rosebery NT	31/12/2023	9,300	9,300	8,513
Secret Harbour Medical Centre, Secret Harbour WA	31/12/2023	9,000	9,000	8,706
South Lake Medical Centre, South Lake WA	31/12/2022	9,000	9,000	9,007
St John of God Wembley Day Surgery, Wembley WA	31/12/2023	23,500	23,500	23,300
Sunshine Day Hospital, Sunshine VIC	31/12/2023	8,400	8,400	10,200
Swan Medical Centre, Midlands WA	31/12/2023	7,750	7,750	8,110
The Banyans Health & Wellness Centre, Clear Mountain QLD	31/12/2022	8,900	8,900	8,907
The Gold Coast Surgery Centre, Southport QLD	31/12/2023	18,000	18,000	20,763
Willetts Health Precinct, Mount Pleasant QLD	31/12/2022	17,450	17,700	17,563
Total Investment properties		351,305	349,800	358,214

RAM Australia Medical Property Fund
Notes to the financial statements
As at 31 December 2023

Note 7. Investment properties (continued)

Reconciliation of the fair values at the beginning and end of the reporting periods are set out below:

	As at 31 Dec 2023 \$'000	As at 30 June 2023 \$'000
Opening fair value	358,214	366,775
Additions/(disposals)	-	1,958
Revaluation (decrements)/increments	(10,218)	(11,835)
Capital expenditure	2,045	1,636
Amortisation of lease incentives	(241)	(320)
Closing fair value	<u>349,800</u>	<u>358,214</u>

Critical accounting estimate - Valuation of investment properties

Property assets are valued in accordance with the Fund's Property Valuation Policy. This Policy requires that all direct property assets be valued at Fair Value at each balance date. Fair Value is determined at least once every two years by an appropriately qualified independent valuer. In the intervening periods Fair Value is determined by the Investment Manager, after considering all relevant market-based information and circumstances.

Where the Investment Manager believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent valuer will be engaged to value the direct property assets in accordance with ordinary commercial practice and AIFRS.

The balance of the Fund's properties were valued by the Investment Manager using best practice market methodologies including discounted cash flow, capitalisation and comparison methodologies.

Significant unobservable inputs associated with the Fund's investment property valuations are set out below:

As at 31 Dec 2023	Range	Weighted average
Passing rent (\$m)	0.04 - 2.90	1.31
Capitalisation rate (%)	4.75 - 8.00	5.63
Discount rate (%)	6.00 - 8.25	5.65
Lease expiry (years)	0.36 - 11.73	7.54
Occupancy (%)	7.30 - 100.00	94.81
As at 30 Jun 2023	Range	Weighted average
Passing rent (\$m)	0.04 - 2.49	1.34
Capitalisation rate (%)	5.00 - 8.00	5.49
Discount rate (%)	4.50 - 8.50	6.55
Lease expiry (years)	1.00 - 13.38	7.44
Occupancy (%)	8.34 - 100.00	97.56

RAM Australia Medical Property Fund
Notes to the financial statements
As at 31 December 2023

Note 8. Interest bearing liabilities

	As at 31 Dec 2023		As at 30 Jun 2023	
	Facility limit \$'000	Drawn amount \$'000	Facility limit \$'000	Drawn amount \$'000
<i>Non-current - secured</i>				
Syndicated facility ⁽¹⁾	300,000	160,387	300,000	162,040
Less: Unamortised transaction costs	-	(844)	-	(976)
Total - non-current interest bearing liabilities	300,000	159,543	300,000	161,064
Total - interest bearing liabilities	300,000	159,543	300,000	161,064

(1) Syndicated facility

RAM Essential Services FinCo Pty Ltd, a jointly owned entity of the Stapled Fund, is the borrower for the syndicated debt facility. The Stapled Fund's syndicated debt facility is with the CBA. On 31 January 2024, a restructure of the syndicated facility was completed where Westpac was introduced, as a result, the syndicated facility limit was increased to \$340 million. The syndicated facility expires in June 2026. During the half-year to 31 December 2023 no additional draw-downs to the syndicated facility were made in relation to capital and development expenditure across the investment property portfolio.

Assets pledged as security

The bank overdraft and above loan facilities are secured by first mortgages over the Stapled Fund's investment properties.

Note 9. Issued securities

	31 Dec 2023 No. of Securities	31 Dec 2023 \$'000	30 Jun 2023 No. of Securities	30 Jun 2023 \$'000
<i>Movements during the year</i>				
Balance at beginning of year	260,542,047	255,568	260,542,047	255,568
Buy-back and cancellation of securities	(564,550)	(373)	-	-
Total issued securities - fully paid	259,977,497	255,195	260,542,047	255,568

Ordinary securities

Ordinary securities entitle the holder to participate in distributions and the proceeds on the winding up of the Stapled Fund in proportion to the number of and amounts paid on the securities held. The fully paid ordinary securities have no par value and the Stapled Fund does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each security shall have one vote.

Securities buy-back

On 21 November 2023, RAM Essential Services Property Fund as part of its ongoing capital management strategy, commenced an on market buy-back program for 12 months which is intended to be funded by existing cash and undrawn facilities. As at 31 December 2023, 1,129,100 securities had been bought-back of which 1,129,100 securities were cancelled. Half of these securities (564,550) were allocated to RAMPF.

Note 10. Fair value measurement

The Fund uses a variety of methods to determine the fair values of its financial assets and financial liabilities. These methods include the following:

RAM Australia Medical Property Fund
Notes to the financial statements
As at 31 December 2023

Note 10. Fair value measurement (continued)

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

As at 31 Dec 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Financial Assets</i>				
Investment properties	-	-	349,800	349,800
Financial instruments - cash flow hedge	-	1,400	-	1,400
Total assets	-	1,400	349,800	351,200

As at 30 Jun 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Financial Assets</i>				
Investment properties	-	-	358,214	358,214
Financial instruments - cash flow hedge	-	2,807	-	2,807
Total assets	-	2,807	358,214	361,021

There were no transfers between levels during the reporting periods.

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

Direct property assets are valued in accordance with the Fund's Property Valuation Policy.

This Policy requires that all direct property assets be valued at Fair Value at each balance date. Fair Value is determined at least once every two years by an appropriately qualified independent property valuer.

In the intervening periods Fair Value is determined by the Responsible Entity, acting in good faith, after considering all relevant market-based information and circumstances.

Where the Responsible Entity or Investment Manager believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent property valuer will be engaged at each reporting period in consultation with the scheme auditor to value the direct property assets in accordance with ordinary commercial practice and AIFRS.

The balance of the Fund's properties were valued by the Responsible Entity using usual market adopted methodologies including capitalisation, discounted cash flow and comparison methodologies.

Note 11. Interests in joint operations

RAMPF holds a 50% interest in RAM Essential Services FinCo Pty Ltd ("FinCo"), a joint arrangement structured as a financing entity for RAMPF and RARPF. The primary purpose of the joint arrangement is to facilitate debt funding on behalf of the joint operators. The arrangement allows for RAMPF and RARPF to draw down on the debt facility held by FinCo. Under the agreement, each party is liable for the portion of used debt facility and the associated costs such as interest and other finance charges. The parties are also entitled to the assets created from the arrangement by the generation of funds to be used in their operations.

FinCo is a contractually established entity and is classified as a joint operation. Accordingly, RAMPF's interest in the assets, liabilities, revenues and expenses attributable to the joint arrangement have been included in the appropriate line items in the consolidated financial statements.

Name	Principal place of business	Ownership interest	
		31 Dec 2023	30 Jun 2023
		%	%
RAM Essential Services FinCo Pty Ltd	Australia	50.00%	50.00%

RAM Australia Medical Property Fund
Notes to the financial statements
As at 31 December 2023

Note 11. Interests in joint operations (continued)

The Fund has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations using the equity method of accounting in accordance with AASB 128 *Investments in Associates and Joint Ventures*. These have been incorporated in the financial statements under the appropriate classifications.

Note 12. Unrecognised items

Capital expenditure commitments

There were no material commitments in relation to capital expenditure or any other commitments contracted for at balance date (30 June 2023: \$nil).

Contingent assets and liabilities

There were no material contingent assets or contingent liabilities at balance date (30 June 2023: \$nil).

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected or may significantly affect:

- the Fund's operation in future financial years;
- the results of those operations in future financial years; or
- the Fund's state of affairs in future financial years.

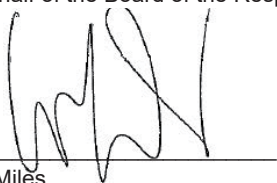
**RAM Australia Medical Property Fund
Directors' declaration
As at 31 December 2023**

In the opinion of the directors' of the Responsible Entity:

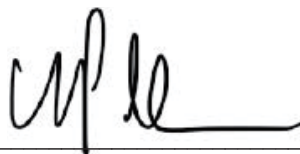
- the attached consolidated financial statements and notes of the Fund comply with the *Corporations Act 2001 (Cth)*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001 (Cth)* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001 (Cth)*.

On behalf of the Board of the Responsible Entity



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

28 February 2024
Sydney

Independent auditor's review report to the Unitholders of RAM Australia Medical Property Fund

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of RAM Australia Medical Property Fund (the Fund), which comprises the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RAM Australia Medical Property Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2023, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors' of the Responsible Entity of the Fund a written Auditor's Independence Declaration.

Responsibility of Management and Directors of the Responsible Entity for the Half-Year Financial Report

Management is responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001*, and for such internal control as management determines is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

In preparing the half-year financial report, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The directors of the Responsible Entity are responsible for overseeing the Fund's financial reporting process.



Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Funds financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of RAM Australia Medical Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

A stylized, handwritten-style logo for PKF, with the letters 'PKF' in a bold, black, cursive font.

PKF

A handwritten signature in black ink that reads 'Martin Matthews'.

MARTIN MATTHEWS
PARTNER

28 FEBRUARY 2024
NEWCASTLE, NSW