

The Calfer Property Fund

ARSN 628 011 325

Report for the financial period from 26 October 2018 to 30 June 2019

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Directors' Report

The directors of Vasco Investment Managers Limited (ABN 71 138 715 009; AFSL 344486) ("VIML" or the "Responsible Entity"), the responsible entity of The Calfer Property Fund (ARSN 628 011 325) (the "Fund"), submit their report together with the financial report of the Fund for the period 26 October 2018 to 30 June 2019.

Responsible Entity - from 7 June 2019 to date

The Responsible Entity of the Fund is VIML. The registered office and principal place of business of the Responsible Entity is Suite 4 Level 5, 488 Bourke Street, Melbourne.

Former Responsible Entity – 16 August 2018 to 6 June 2019

The Former Responsible Entity of the Fund was Columbus Investment Services Ltd (ABN 69 095 162 931; AFSL 221183) ("CISL" or the "Former Responsible Entity"). The registered office and principal place of business of the Former Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

Information about the Directors and Senior Management

The names of the directors of the Responsible Entity are:

Name	Title
Craig Mathew Dunstan	Executive Director
Fiona Jean Dunstan	Executive Director
Jonathon William Martin	Non-Executive Director
Stephen George Hawkins	Non-Executive Director (resigned 2 July 2019)
Reginald Bancroft	Non-Executive Director (appointed 2 July 2019)

The names of the directors and company secretaries of the Former Responsible Entity are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary (appointed as a director on 26 October 2018)
Justin Epstein	Non-Executive Director from 1 January 2019 (Executive Director to 31 December 2018)
Elizabeth Reddy	Non-Executive Director (resigned on 26 October 2018)

Principal Activities

The Fund is an unlisted registered managed investment scheme, incorporated and domiciled in Australia. The Fund was registered on 16 August 2018, and commenced operations on 26 October 2018. The Financial Statements cover the financial period from 26 October 2018 to 30 June 2019.

The principal activity of the Fund was to invest in a portfolio of regionally based motels through the Calfer Property Trust to provide unitholders with long term capital growth and high income returns.

The Fund did not have any employees during the reporting period.

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of these financial statements. The operating gain attributable to unitholders for the period ended 30 June 2019 was \$1,778,726.

Directors' Report (continued)

Distributions

Distributions of \$1,057,321 were declared to unitholders during the period to 30 June 2019, of which \$1,057,321 was payable at 30 June 2019.

Value of Assets and Units Issued

The total value of the Fund's assets as at 30 June 2019 was \$5,148,863. The total number of units on issue as at 30 June 2019 was 11,063,028.

Fees Paid To and Interests Held in the Fund by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates during the period are disclosed in Note 14 to the financial statements.

The fees were paid out of the Fund's assets during the period.

There were no interests in the Fund held by the Responsible Entity or its associates as at the end of the financial period.

Significant Changes in State of Affairs

During the period, the Responsible Entity of the Fund changed from CISL to VIML effective 7 June 2019.

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial period.

Subsequent Events

There have not been any matters or circumstances occurring subsequent to the financial period ended 30 June 2019 that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Likely Developments

The Fund will be managed in accordance with the provisions of its Constitution. Future results will accordingly depend on the performance of the markets to which the Fund is exposed.

Environmental Regulation and Performance

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Indemnification of Directors, Officers and Auditors

The Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability as such an officer or auditor.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 4.

On behalf of the directors of the Responsible Entity, Vasco Investment Managers Limited.

A handwritten signature in dark ink, appearing to read 'Craig Mathew Dunstan', with a long horizontal flourish extending to the right.

Craig Mathew Dunstan

Director

26 September 2019

26 September 2019

The Directors
Vasco Investment Managers Limited
As the Responsible Entity of The Calfer Property Fund
Suite 4 Level 5
488 Bourke Street
Melbourne VIC 3000

Dear Directors

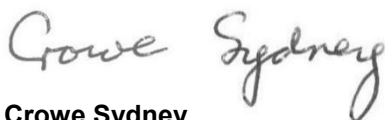
The Calfer Property Fund

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Vasco Investment Managers Limited.

As lead audit partner for the audit of the financial report of The Calfer Property Fund for the financial period 26 October 2018 to 30 June 2019, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

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

Yours sincerely

**Crowe Sydney****John Haydon**
Senior Partner

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

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Statement of Profit or Loss and Other Comprehensive Income for the period 26 October 2018 to 30 June 2019

	Note	26 October 2018 30 June 2019 \$
Revenue		
Interest income		294
Distribution income	4	1,128,797
Fair value adjustment to financial assets held at fair value through profit or loss	9	759,263
Total revenue		1,888,354
Expenses		
Administration expenses	5	85,071
Audit fees	6	24,557
Total expenses		109,628
Operating gains attributable to unitholders		1,778,726
Finance costs attributable to unitholders		
Distribution expense	7	(1,057,321)
Increase in net assets attributable to unitholders		(721,405)
Profit/(loss) for the period		-
Other comprehensive income		-
Total comprehensive income attributable to unitholders		-

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

Statement of Financial Position as at 30 June 2019

	Note	30 June 2019 \$
<u>Assets</u>		
Cash and cash equivalents	10	43,645
Distribution receivable		1,028,797
Trade and other receivables	8	1,319
Financial assets held at fair value through profit or loss	9	4,075,102
Total assets		5,148,863
<u>Liabilities</u>		
Distribution payable	7	1,057,321
Trade and other payables	12	54,297
Total liabilities (excluding net assets attributable to unitholders)		1,111,618
Net assets attributable to unitholders - Liabilities	11	4,037,245

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

Statement of Changes in Net Assets Attributable to Unitholders for the period 26 October 2018 to 30 June 2019

	Note	26 October 2018 30 June 2019 \$
Opening balance		-
Units issued during the year		3,315,840
Total comprehensive income attributable to unitholders		1,778,726
Distributions for the year	7	(1,057,321)
Net assets attributable to unitholders	11	4,037,245

Under Australian Accounting Standards, net assets attributable to members of the Fund are classified as a liability rather than equity. As a result, there was no equity at the start or end of the year.

The above Statement of Changes in Net Assets Attributable to Unitholders should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the period the period 26 October 2018 to 30 June 2019

	Note	26 October 2018 to 30 June 2019 \$
Cash flows from operating activities		
Distribution received		100,000
Interest received		294
Payments to suppliers		(56,649)
Net cash provided by operating activities		43,645
Net increase in cash and cash equivalents		43,645
Cash and cash equivalents at the beginning of the year		-
Cash and cash equivalents at the end of the year	10	43,645

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

Notes to the Financial Statements

1. General Information

This financial report covers The Calfer Property Fund (ARSN 628 011 325) (the "Fund") which is an unlisted registered managed investment scheme.

The principal activity of the Fund was to invest in a portfolio of regionally based motels through the Calfer Property Trust to provide unitholders with long term capital growth and high income returns.

The responsible entity of the Fund is Vasco Investment Managers Limited (ABN 71 138 715 009; AFSL 344486) ("VIML" or the "Responsible Entity"). The Responsible Entity's registered office and principal place of business is Suite 4 Level 5, 488 Bourke Street, Melbourne.

The former responsible entity of the Fund was Columbus Investment Services Ltd (ABN 69 095 162 931; AFSL 221183) ("CISL" or the "Former Responsible Entity"). The registered office and principal place of business of the Former Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

The investment manager of the Fund is Calfer Pty Ltd ACN 006 641 372 (the "Investment Manager").

The financial statements were authorised for issue by the directors of the Responsible Entity on 26 September 2019. The directors of the Responsible Entity have the power to amend and reissue the financial report.

2. Adoption of New and Revised Accounting Standards

New or amended Accounting Standards and Interpretations adopted in the current period

The fund has adopted all of the new or amended Accounting Standards and Interpretations issue by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 9: Financial Instruments (AASB 9)

AASB 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. AASB 9 addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in AASB 139.

Classification and measurement of debt securities is driven by the Fund's business model for managing the financial assets and contractual cash flows characteristic of the financial assets.

The Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection are measured at amortised cost.

AASB 15: Revenue from Contracts with Customers (AASB 15)

AASB 15: 'Revenue from Contracts with Customers' became effective for annual periods beginning on or after 1 January 2018. This standard does not have a material impact on the Fund.

New standards and interpretations not yet adopted

There are no new standards or interpretations applicable that would have a material impact on the Fund.

Notes to the Financial Statements

3. Significant Accounting Policies

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, the Corporations Act 2001, and other authoritative pronouncements, and interpretations of the Australian Accounting Standard Board and the Fund's Constitution.

Compliance with Australian Accounting Standards, as issued by the AASB ensures that the financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Consequently the financial statements have been prepared in accordance with and comply with IFRS as issued by IASB.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

(b) Basis of preparation

This general purpose financial report is presented in Australian dollars and has been prepared on an accruals and historical cost basis unless otherwise stated. The Calfer Property Fund is a for-profit unit trust for the purpose of preparing these financial statements.

This general purpose financial report has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unitholders.

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

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

All amounts are presented in Australian dollars as the functional and presentational currency of the Fund.

Amounts in this financial report have been rounded off to the nearest dollar (\$).

(c) Going concern basis

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

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(d) Revenue and income recognition

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

Interest income is recognised as the interest accrues using the effective interest rate method.

Other income is recognised when the right to receive the revenue has been established.

All income is stated net of goods and services tax ("GST").

(e) Expenses

All expenses, including responsible entity and custodian fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

(f) Cash and cash equivalents

Cash and cash equivalents consists of cash at bank.

(g) Taxation

Under the current tax legislation, the Fund is not subject to income tax provided that the unitholders are presently entitled to the income of the Fund and that the Fund entirely distributes its taxable income.

There is no income of the Fund to which the unitholders are not currently entitled. Additionally, the Fund's Constitution requires the distribution of the full amount of the net income of the Fund to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that the taxable gains are realised by the Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

(h) Distributions

The Fund distributes its distributable income, calculated in accordance with the Fund's Constitution and applicable tax legislation, to unitholders who are presently entitled to the income under the Fund's Constitution.

(i) Payables

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

(j) Investments in financial instruments

Investments in financial instruments are categorised in accordance with AASB 9 'Financial Instruments'. This classification is determined by the purpose underpinning the acquisition of the investment. The classification of each financial instrument is re-evaluated at each financial year end.

(i) Classification

The Fund's investments are categorised as at fair value through profit or loss. They comprise: Financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets and financial liabilities that are not held for trading purposes and which may be sold. These are units in the Calfer Property Trust.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Fund measures a financial asset or liability at its fair value. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the Statement of Profit or Loss and Other Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Profit or Loss and Other Comprehensive Income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The fair value of financial assets and financial liabilities that are not traded in an active market are determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

(k) Applications and Redemptions

Applications received for units in the Fund are recorded prior to the issue of units in the Fund. Redemption from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(l) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units are classified as financial liabilities as the Fund is required to distribute its distributable income. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of the redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting year if unitholders exercised their right to redeem units in the Fund.

(m) Use of significant accounting estimates and judgments

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

For all of the Fund's financial instruments, quotes market prices are valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the determination of the value of investments are outlined in note 5 of these financial statements.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(n) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of the acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is recognised as a receivable or payable on the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis.

The GST component of cash flows arising from financing activities which is recoverable from or payable to the taxation authority is classified as operating cash flow.

GST is not payable in respect of the acquisition, disposal or withdrawal of units, nor in respect of any distributions paid by the Fund.

Notes to the Financial Statements

4. Distribution Income

	30 June 2019 \$
Distribution from the Calfer Property Trust	1,128,797
Total for the financial period	1,128,797

5. Administration Expenses

26 October 2018
30 June 2019

	\$
Responsible Entity Fee	35,533
Accounting Fee	16,144
Custody Fee	12,598
Registry Fee	4,557
Tax Service Fee	10,450
Other expenses	5,789
Total for the financial period	85,071

6. Remuneration of Auditor

The auditor named below earned the following remuneration:

26 October 2018
30 June 2019

	\$
Audit review of financial statements	
Crowe Sydney	15,000
Total for the financial period	15,000

Ernst & Young ("EY") is the auditor of the Fund's compliance plan for the period ended 30 June 2019. The amount due to EY is \$8,500.

7. Distributions to Unitholders

The Fund declared a distribution of \$1,057,321 for the financial period, of which \$1,057,321 was payable at 30 June 2019.

Notes to the Financial Statements

8. Trade and Other Receivables

	30 June 2019 \$
ATO refund	1,319
Balance at the end of the financial period	1,319

9. Investments in financial instruments

a) Financial assets held at fair value through profit or loss

	30 June 2019 \$
Investment in Calfer Property Trust	4,075,102
Balance at the end of the financial period	4,075,102
Investment in Calfer Property Trust – at cost	3,315,840
Fair value adjustment through profit or loss	759,262
	4,075,102

The Fund holds a 100% interest in the Calfer Property Trust an unregistered managed investment scheme established and domiciled in Australia. The Trustee of the Fund is Calfer Pty Ltd.

b) Fair value hierarchy

The financial instruments carried at fair value can be valued using different levels of measurement. The different levels have been defined as follows:

- Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

- Level 2

Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices). Valuation techniques are used to determine the value. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. All significant inputs required to fair value an instrument have to be observable.

- Level 3

Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Fund holds no Level 1 no Level 2 financial instruments.

Financial assets are measured as Level 3 financial instruments.

Notes to the Financial Statements

9. Investments in financial instruments (*continued*)

Transfer between levels

There have been no transfers between levels for the period ended 30 June 2019.

c) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

10. Cash and Cash Equivalents

(a) Cash and cash equivalents consists of cash at bank. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	30 June 2019 \$
Cash at bank	43,645
Balance at the end of the financial period	43,645

(b) Reconciliation of total comprehensive income for the year to net cash flows provided by operating activities:

	30 June 2019 \$
Gain in net assets attributable to unitholders	721,405
Adjustments for:	
Change in value of financial assets held at fair value through profit or loss	(759,262)
Distribution to unitholders	1,057,321
Changes in assets and liabilities:	
Net change in distribution receivable	(1,028,797)
Net change in other assets	(1,319)
Net change in trade and other payables	54,297
Net cash provided by operating activities	43,645

Notes to the Financial Statements

11. Net Assets Attributable to Unitholders

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

	30 June 2019	
	<u>No of Units</u>	<u>\$</u>
Balance 26 October 2018	-	-
Allotments	11,063,028	3,315,840
Increase in net assets attributable to unitholders	-	721,405
	<u>11,063,028</u>	<u>4,037,245</u>
Closing balance	11,063,028	4,037,245

12. Trade and Other Payables

	30 June 2019
	<u>\$</u>
Accrued charges and other payables	54,297
Balance at the end of the financial period	54,297

13. Financial Risk Management

The most important types of financial risks to which the Fund is exposed to are market risk, credit risk and liquidity risk. The exposure to each of these risks, as well as the Fund's policies and processes for managing these risks are described below.

(a) Market Risk

Market risk embodies the potential for both loss and gains and includes interest rate risk and other price risk. The Fund's strategy on the management of investment risk is driven by the Fund's objectives. The Fund's market risk is managed as required by the Investment Manager in accordance with the investment guidelines as outlined in the Fund's constitution.

Cash flow and fair value interest rate risk

The Fund's cash and cash equivalents, and floating and fixed rate borrowings expose it to a risk of change in the fair value or future cash flows due to changes in interest rates.

Notes to the Financial Statements

13. Financial Risk Management (continued)

The table below summarises the Fund's exposure to interest rate risk.

As at 30 June 2019	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	43,645	-	-	43,645
Other assets	-	-	1,319	1,319
Financial assets held at fair value through profit or loss	-		4,075,102	4,075,102
Total financial assets	43,645	-	4,076,421	4,120,066
Financial liabilities				
Trade and other payable	-	-	54,297	54,297
Total financial liabilities	-	-	54,297	54,297
Net exposure	43,645	-	4,022,124	4,065,769

Sensitivity of profit or loss to movements in market interest rates for financial instruments with fair value risk:

	30 June 2019 \$ Decrease/(increase)
Market interest rate increased by 100 basis points	436
Market interest rate decreased by 100 basis points	(436)

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

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

	30 June 2019 \$
Cash at bank – rating AA	43,645
Maximum exposure to credit risk	43,645

Notes to the Financial Statements

13. Financial Risk Management (continued)

The Investment Manager manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of appropriate credit rating, or do not show a history of defaults. Financial assets such as cash at bank are held with high credit quality financial institutions (rated equivalent A or higher by the major rating agencies).

All receivables are monitored by the Investment Manager. If any amounts owing are overdue these are followed up and if necessary, allowances are made for debts that are doubtful.

At the end of the reporting period there are no issues with the credit quality of financial assets that are either past due or impaired, and all amounts are expected to be received in full.

(c) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Investment Manager monitors its exposure to liquidity risk by ensuring that as required there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period. The amounts in the table are the contractual undiscounted cash flows. Balances equal their carrying balance, as the impact of discounting is not significant.

30 June 2019	Less than 1 month \$	1 month to 12 months \$	1 year and more \$
Trade and other payables	54,297	-	-
Contractual cash flows	54,297	-	-

Notes to the Financial Statements

14. Related Party Transactions

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

a) Key management personnel

The names of the directors of the current Responsible Entity as of the date of the Director's Report were:

Name	Title
Craig Mathew Dunstan	Executive Director
Fiona Jean Dunstan	Executive Director
Jonathon William Martin	Non-Executive Director
Stephen George Hawkins	Non-Executive Director (resigned 2 July 2019)
Reginald Bancroft	Non-Executive Director (appointed 2 July 2019)

The names of the directors and company secretaries of the Former Responsible Entity during the period 16 August 2018 to 6 June 2019 were:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary (appointed as a director on 26 October 2018)
Justin Epstein	Non-Executive Director from 1 January 2019 (Executive Director to 31 December 2018)
Elizabeth Reddy	Non-Executive Director (resigned on 26 October 2018)

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the current and former responsible entity's key management personnel or their personally related entities at any time during the period.

Apart from those details disclosed in the note, no key management personnel have entered into a material contract with the Fund and there were no material contracts involving directors' interests existing at balance date.

b) Responsible Entity/Investment Manager fees

The Former Responsible Entity of the Fund was Columbus Investment Services Ltd ("Former Responsible Entity"). The Former Responsible Entity charged a monthly fee of \$4,150 or \$49,800 per annum (excluding GST).

For the period ending 30 June 2019, the responsible entity fee expense incurred by the Fund to the Former Responsible Entity was \$35,533. A total of \$4,337 (including GST) was payable at the end of the period.

c) Other fees paid to related parties

The Former Responsible Entity appointed third party service providers to the Fund, some of whom are related parties of the Responsible Entity. One Managed Investment Funds Limited ("OMIFL"), a subsidiary of One Investment Group ("OIG"), acted as custodian for the Fund and receives a fee for doing so. One Registry Services Pty Ltd ("ORS"), a subsidiary of One Investment Group ("OIG"), acted as custodian for the Fund and receives a fee for doing so.

For the period ending 30 June 2019, the custody fee expense incurred by the Fund to the OMIFL amounted to \$12,598. A total of \$4,612 (including GST) was payable at the end of the period.

For the period ending 30 June 2019, the registry fee expense incurred by the Fund to the ORS amounted to \$4,557. A total of \$941 (including GST) was payable at the end of the period.

There were no other fees paid or payable to the Responsible Entity and its associated entities for the financial year ended 30 June 2019.

Notes to the Financial Statements

15. Subsequent Events

There has been no matter or circumstance occurring subsequent to the period ended 30 June 2019 that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

16. Commitments and Contingencies

There were no other contingent assets and liabilities or commitments as at 30 June 2019.

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) the financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3(a) to the financial statements; and
- (c) the financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to Section 303(5) of the Corporations Act 2001.

On behalf of the directors of the Responsible Entity, Vasco Investment Managers Limited.



Craig Mathew Dunstan
Director
26 September 2019

Independent Auditor's Report to the Unitholders of The Calfer Property Fund

Opinion

We have audited the financial report of The Calfer Property Fund (the Fund), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the period 26 October 2018 to 30 June 2019, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Fund's financial position as at 30 June 2019 and of its financial performance for the period 26 October 2018 to 30 June 2019; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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



Crowe Sydney



John Haydon

Senior Partner

26 September 2019

Sydney