



CROMWELL
FUNDS MANAGEMENT

● ● ● Phoenix Portfolios

Cromwell Phoenix Property Securities Fund

ARSN 129 580 267

Half-Year Financial Report

31 DECEMBER 2024

Responsible entity:
Cromwell Funds Management Limited
ABN 63 114 782 777 AFSL 333 214
Level 10, 100 Creek Street
Brisbane QLD 4000

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DIRECTORY

Responsible entity:

Cromwell Funds Management Limited
ABN 63 114 782 777
AFSL 333 214
Level 10, 100 Creek Street
Brisbane QLD 4000
Tel: +61 7 3225 7777
Email: invest@cromwell.com.au
Web: www.cromwell.com.au

Custodian:

MUFG Pension & Market Services
Level 12, 680 George Street
Sydney NSW 2000
Tel: +61 2 8280 5000
Email: info@mpms.mufg.com
Web: www.mpms.mufg.com

Auditor:

Pitcher Partners
Level 38, Central Plaza One
345 Queen Street
Brisbane QLD 4000
Tel: +61 7 3222 8444
Web: www.pitcher.com.au

Directors' Report

The Directors of Cromwell Funds Management Limited (CFM) the responsible entity of Cromwell Phoenix Property Securities Fund (the Fund), present their report at the end of the half-year ended 31 December 2024.

The responsible entity and its directors

Cromwell Funds Management Limited has been the responsible entity of the Fund since its registration. Cromwell Funds Management Limited is part of Cromwell Property Group, a real estate investment manager with \$4.5 billion of assets under management. The responsible entity undertakes management and administrative duties for the Fund and monitors the Custodian, MUFG Pension & Market Services, which holds the Fund's assets on behalf of the unitholders.

The responsible entity's directors are as follows (collectively referred to as "the Directors"):

| | | |
|----------------|------------------------|--|
| Ms TL Cox | Non-executive Chair | Appointed 14 January 2021, Chair since 14 January 2021 |
| Ms LJC Crombie | Non-executive Director | Appointed 30 June 2022 |
| Ms RJ Lloyd | Non-executive Director | Appointed 18 July 2022 |
| Mr GG Ross | Non-executive Director | Appointed 18 July 2022 |

Review of operations and results

Financial performance

The Fund recorded a profit before finance costs attributable to unitholders of \$26,083,000 for the half-year ended 31 December 2024 (2023: \$16,254,000) and declared distributions of \$4,697,000 (2023: \$4,616,000).

The following table shows the Fund's performance against its benchmark index since the Fund's inception:

| | Half-year | 1 year | 3 years (annualised) | 5 years (annualised) | Since inception (annualised) |
|---|-------------|--------------|-------------------------|-------------------------|------------------------------------|
| Fund performance (before fees and costs) | 12.8% | 16.6% | 3.2% | 5.6% | 9.2% |
| Fund performance (after fees and costs) | 12.4% | 15.6% | 2.3% | 4.6% | 8.2% |
| S&P/ASX 300 A-REIT Index | 7.3% | 17.6% | 3.2% | 6.0% | 5.5% |
| Excess return (after fees and costs) | 5.1% | -2.0% | -0.9% | -1.4% | 2.7% |

For the half-year ending 31 December 2024 the S&P/ASX 300 A-REIT Accumulation Index rose 7.34%, marginally outperforming the broader domestic equity market. Reporting season in August was broadly supportive with many stocks reporting upbeat outlook statements.

The Cromwell Phoenix Property Securities Fund outperformed its benchmark over the half-year. Positive contributions to relative returns came from large holdings in Charter Hall Group and much smaller holdings in Peet Limited, AV Jennings Ltd and Aspen Group. The Fund does not hold Scentre Group, which owns the Westfield branded shopping centres in Australia and New Zealand. Scentre Group's strong performance detracted value in a relative sense.

Goodman Group remains the Fund's largest position, representing approximately 16% of the portfolio at period end. The stock rallied just under 3% over the period, failing to keep pace with the benchmark. This added to the Fund's relative returns, given the stock's significant index weight. However, given the material underweight position versus benchmark, Goodman Group's very strong longer term returns have been a key detractor over 1, 3 and 5 years.

Likely results and expected results of operations

The activities of the Fund are regulated by the Fund's constitution. Owing to the limitations on the scope of activities contained in the constitution, future activities of the Fund will be confined to investment in Australian listed property securities and selected other investments with similar characteristics to provide a mixture of income and capital growth to investors.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests and other global economic impacts (such as global geopolitical instability and monetary policy). Investment performance is not guaranteed, and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Subsequent events

No matter or circumstance has arisen since 31 December 2024 that has significantly affected or may significantly affect:

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

Directors' Report

Value of scheme assets

The total carrying value of the Fund's assets as at the end of the reporting period was \$243,415,000 (30 June 2024: \$219,448,000). The Fund held investments valued at \$235,046,000 (30 June 2024: \$207,839,000) and net assets attributable to unitholders of \$239,858,000 (30 June 2024: \$210,269,000) at balance date. This represents net tangible assets of \$1.28 (30 June 2024: \$1.16) per unit, before any allowance for selling costs.

Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* amounts in these financial statements have been rounded off to the nearest thousand dollars, or in certain cases to 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) accompanies this report on page 5.

This report is made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).



Ms TL Cox

Chair

14 March 2025

Sydney



Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

+61 7 3222 8444

pitcher.com.au

The Directors
Cromwell Funds Management Limited
As Responsible Entity for Cromwell Phoenix Property Securities Fund
Level 10, 100 Creek Street
BRISBANE QLD 4000

Auditor's Independence Declaration

In relation to the independent auditor's review for the half year ended 31 December 2024, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Pitcher Partners
PITCHER PARTNERS

CHERYL MASON
Partner

Brisbane, Queensland
14 March 2025

Adelaide | Brisbane | Melbourne | Newcastle | Perth | Sydney



| | | | | | | | | |
|-----------------|-----------------|----------------|--------------|----------------|-------------------|---------------|-----------------|---------------|
| Nigel Fischer | Jason Evans | Brett Headrick | Simon Chun | James Field | Felicity Crimston | Murray Graham | Edward Fletcher | Tracey Norris |
| Mark Nicholson | Kylie Lamprecht | Warwick Face | Jeremy Jones | Daniel Colwell | Cheryl Mason | Andrew Robin | Robert Hughes | |
| Peter Camenzuli | Norman Thurecht | Cole Wilkinson | Tom Spiatt | Robyn Cooper | Kieran Walls | Karen Levine | Ventura Caso | |

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Statement of Profit or Loss

For the half-year ended 31 December 2024

| | Note | Half-year ended | |
|---|------|-------------------------------|-------------------------------|
| | | 31 December 2024 \$'000 | 31 December 2023 \$'000 |
| Investment and other income | | | |
| Distributions and dividend income | 4c | 4,821 | 5,205 |
| Interest | | 83 | 51 |
| Net fair value gain from investments in equity securities | 4b | 22,181 | 12,128 |
| Total investment and other income | | 27,085 | 17,384 |
| Expenses | | | |
| Fund administration costs | | 932 | 1,095 |
| Brokerage fees | | 70 | 35 |
| Total expenses | | 1,002 | 1,130 |
| Profit before finance costs for the half-year attributable to unitholders⁽¹⁾ | | 26,083 | 16,254 |
| <i>Finance costs attributable to unitholders⁽¹⁾</i> | | | |
| Distributions to unitholders ⁽²⁾ | 2 | 4,697 | 2,318 |
| Increase in net assets attributable to unitholders | | 21,386 | 13,936 |
| Profit after finance costs for the half-year attributable to unitholders | | - | - |
| Other comprehensive income for the half-year after finance costs attributable to unitholders | | - | - |
| Total comprehensive income for the half-year after finance costs attributable to unitholders | | - | - |

- (1) Net assets attributable to unitholders were reclassified from equity to a financial liability during the year ended 30 June 2024. Accordingly, the Fund's distributions to unitholders and increase in the net assets attributable to unitholders subsequent to the establishment of the wholesale class of units have been classified as finance costs in the statement of profit or loss. Refer to Note 5 for further detail.
- (2) December 2023 figure represents the December 2023 distribution, subsequent to establishment of the wholesale class of units and resultant classification of distributions to finance costs. This figure has been restated from the prior period half-year financial report. Refer to Note 5 for further detail.

The above statement of profit or loss should be read in conjunction with the accompanying notes.

Balance Sheet

As at 31 December 2024

| | Notes | As at | |
|---|-------|-------------------------------|---------------------------|
| | | 31 December 2024 \$'000 | 30 June 2024 \$'000 |
| Assets | | | |
| Cash and cash equivalents | | 4,329 | 6,903 |
| Receivables | 3 | 4,040 | 4,706 |
| Investments at fair value through profit or loss | 4 | 235,046 | 207,839 |
| Total assets | | 243,415 | 219,448 |
| Liabilities | | | |
| Payables | | 1,409 | 4,656 |
| Distribution payable | | 2,148 | 4,523 |
| Total liabilities (excluding net assets attributed to unitholders) | | 3,557 | 9,179 |
| Net assets attributed to unitholders - liability⁽¹⁾ | 5 | 239,858 | 210,269 |

(1) Net assets attributable to unitholders are classified as a financial liability at 31 December 2024 and 30 June 2024. Net assets attributable to unitholders at 31 December 2023 have been restated from equity. Refer to Note 5 for further detail.

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the half-year ended 31 December 2024

| 31 December 2024 | Notes | Contributed equity \$'000 | Retained earnings \$'000 | Total \$'000 |
|--|-------|---------------------------------|--------------------------------|-----------------|
| Balance at 1 July 2024 | | - | - | - |
| Total transactions with unitholders ⁽¹⁾ | | - | - | - |
| Balance at 31 December 2024 | | - | - | - |

| 31 December 2023 | Notes | Contributed equity \$'000 | Retained earnings \$'000 | Total \$'000 |
|--|-------|---------------------------------|--------------------------------|-----------------|
| Balance at 1 July 2023 | | 199,701 | 22,316 | 222,017 |
| Distributions paid / payable ⁽²⁾ | 2 | - | (2,298) | (2,298) |
| Reclassification due to issuance of a second class of units ⁽³⁾ | | (199,701) | (20,018) | (219,719) |
| Balance at 31 December 2023 | | - | - | - |

(1) Net assets attributable to unitholders were reclassified from equity to a financial liability during the financial year ended 30 June 2024 following the establishment of a wholesale class of units. The resultant opening balance and movement in equity is nil for the half-year ended 31 December 2024. Refer to Note 5 for further detail.

(2) Represents the September 2023 distributions, prior to establishment of the wholesale class of units and resultant reclassification of distributions to finance costs.

(3) The Fund's distributions to unitholders and increase in net assets attributable to unitholders subsequent to the establishment of the wholesale class of units have been classified as finance costs in the statement of profit or loss. Profit or loss prior to the establishment of the wholesale class of units has been included in this reclassification. December 2023 figures have been restated accordingly.

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

Statement of Cash Flows

For the half-year ended 31 December 2024

| | Half-year ended | |
|--|-------------------------------|-------------------------------|
| | 31 December 2024 \$'000 | 31 December 2023 \$'000 |
| Cash flows from operating activities | | |
| Distributions and dividends received | 5,406 | 4,774 |
| Interest received | 83 | 51 |
| Expenses paid | (757) | (860) |
| Net cash provided by operating activities | 4,732 | 3,965 |
| Cash flows from investing activities | | |
| Payments for investments at fair value through profit or loss | (33,322) | (14,204) |
| Proceeds from sale of investments at fair value through profit or loss | 28,464 | 25,025 |
| Net cash (used in) / provided by investing activities | (4,858) | 10,821 |
| Cash flows from financing activities | | |
| Proceeds from issue of units | 32,606 | 19,041 |
| Payment for units redeemed | (28,447) | (27,980) |
| Payment of distributions | (6,607) | (7,469) |
| Net cash used in financing activities | (2,448) | (16,408) |
| Net decrease in cash and cash equivalents | (2,574) | (1,622) |
| Cash and cash equivalents at beginning of period | 6,903 | 4,402 |
| Cash and cash equivalents at 31 December | 4,329 | 2,780 |

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

Notes to the Financial Statements

For the half-year ended 31 December 2024

1. Basis of preparation

The half-year financial report of Cromwell Phoenix Property Securities Fund for the half-year reporting period ended 31 December 2024 is a general purpose financial report that has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001 (Cth). The financial report is designed to provide an update on the Fund's financial performance and financial position since the last annual financial report was issued. This financial report therefore does not include all the notes normally included in an annual financial report and needs to be read in conjunction with the annual financial report for the year ended 30 June 2024. The Fund is a for-profit entity for the purposes of preparing financial statements.

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Fund's annual financial report for the year ended 30 June 2024. These accounting policies are consistent with applicable Australian accounting standards and with international financial reporting standards.

The balance sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets at fair value through profit or loss 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 twelve 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 redeemable 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 twelve months cannot be reliably determined.

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

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 amounts in these financial statements have been rounded off to the nearest thousand dollars, or in certain cases to the nearest dollar.

Comparatives

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

Continuous disclosure

Continuous disclosure and updates on the Fund's performance and events significant to the Fund are provided on Cromwell's webpage at www.cromwell.com.au/psf.

Segment information

The Fund operates in one operating segment, being investment in ASX listed securities and unlisted equity securities. The Fund earns dividends and derives capital appreciation from investments in listed ASX securities and unlisted equity securities.

a) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

At 31 December 2024 and 30 June 2024 the only assets carried at fair value are investments at fair value through profit or loss. Refer note 4 and note 6 for further information.

b) New and amended accounting standards and interpretations adopted by the Fund

The Fund has adopted all applicable new Australian accounting standards and interpretations. Any new standards or amendments adopted in the current period do not have a material impact on the financial statements.

Any new relevant accounting standards and interpretations that have been issued or amended but are not yet effective and have not been adopted by the Fund are unlikely to have any material impact on the Fund.

Notes to the Financial Statements

For the half-year ended 31 December 2024

2. Distributions

a) Overview

Distributions to unitholders are paid quarterly. When calculating the amount of distribution, the expected return from the Fund's investments (on an annualised basis) is taken into account. The actual amount distributed may be higher or lower than this amount but is no less than the Fund's net taxable income.

b) Distributions paid / payable

The distribution history of the Fund may be viewed on Cromwell's webpage at www.cromwell.com.au/psf. Total distributions paid / payable during the half-year were as follows:

| | Half-year ended | |
|------------------------------|----------------------------|----------------------------|
| | 31 December 2024 \$'000 | 31 December 2023 \$'000 |
| Distributions paid / payable | 4,697 | 4,616 |

c) Distributions by class

Distributions paid / payable during the half-year by class were as follows:

| | Half-year ended | | | |
|---|------------------|--------------|------------------|--------------|
| | 31 December 2024 | | 31 December 2023 | |
| | \$ per unit | \$'000 | \$ per unit | \$'000 |
| Ordinary class | | | | |
| 30 September | 0.0136 | 2,472 | 0.0116 | 2,298 |
| 31 December | 0.0113 | 1,994 | 0.0120 | 2,318 |
| | 0.0249 | 4,466 | 0.0236 | 4,616 |
| Wholesale class | | | | |
| 30 September ⁽¹⁾ | 0.0150 | 108 | - | - |
| 31 December ⁽²⁾ | 0.0118 | 123 | 0.0095 | - |
| | 0.0268 | 231 | 0.0095 | - |
| Total distributions paid / payable | | 4,697 | | 4,616 |

(1) Wholesale class was established on 15th November 2023, so no distribution was payable for September 2023 quarter.

(2) December 2023 distribution declared at \$4.96 due to only 521 units on issue, rounded to \$0.

3. Receivables

a) Overview

Receivables of the Fund generally consist of distributions and dividends receivable from its investment, unsettled sales and other receivables such as withholding tax receivable and Goods and Services Tax (GST).

| | 31 December 2024 \$'000 | 30 June 2024 \$'000 |
|--|----------------------------|------------------------|
| Distributions and dividends receivable | 3,263 | 3,848 |
| Unsettled sales ⁽¹⁾ | 512 | 680 |
| Other receivables | 265 | 178 |
| Total receivables | 4,040 | 4,706 |

(1) Unsettled sales represent sale of equity securities prior to period-end, which settled subsequent to period-end.

Notes to the Financial Statements

For the half-year ended 31 December 2024

4. Investments at fair value through profit or loss

a) Overview

The Fund primarily invests in listed property securities with the aim to deliver a total return (after fees) in excess of the S&P/ASX 300 A-REIT Accumulation Index over 3-5 years with lower overall risk. As at 31 December 2024 the investments of the Fund were primarily comprised of property securities listed on the ASX.

b) Investment details

As at period end, the Fund held the following investments:

| | As at | |
|--------------------------|-------------------------------|---------------------------|
| | 31 December 2024 \$'000 | 30 June 2024 \$'000 |
| Listed equity securities | 235,046 | 207,839 |
| Total investments | 235,046 | 207,839 |

For accounting purposes, the Fund's investments in listed securities are classified as investments at fair value through profit or loss with fair value gains or losses recognised in profit or loss. For further details about the fair value measurement of these financial assets refer to note 6. During the period the Fund recognised fair value gains of \$22,181,000 (2023: \$12,128,000).

c) Distributions and dividend income

Dividend and distribution income from investments at fair value through profit or loss is recognised in the statement of profit or loss within distributions and dividend income when the Fund's right to receive payments is established. During the period the Fund recognised distributions and dividend income of \$4,821,000 (2023: \$5,205,000) from its investments at fair value through profit or loss.

5. Net assets attributable to unitholders - liability

a) Overview

The Fund commenced in April 2008 as a wholly owned fund of the Cromwell Property Group.

Units are issued and redeemed by the Fund at a unit price determined in accordance with the responsible entity's Unit Pricing Policy. Per the Australian Securities and Investments Commission ("ASIC") and the Australian Prudential Regulation Authority's ("APRA") Unit Pricing: Guide to Good Practice, investors will receive compensation for any material unit pricing errors. In accordance with these guidelines the Fund does not pay exited members compensation for material unit pricing errors where the amount of any compensation payable is less than \$20.

On 15th November 2023, a Wholesale class of units was established for the Fund which has its own Product Disclosure Statement (PDS) and unit pricing. The Wholesale class requires a minimum initial deposit of \$500,000 with a commitment that within the following 12 months, the deposit is increased to \$5,000,000. Coinciding with this investment requirement the Wholesale unitholders are charged a management fee of 0.86% compared to that of Ordinary unitholders of 0.96%. All existing units on issue by the Fund prior to this date are now known as Ordinary units.

Each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund. There are two separate classes of units. Each unit within the same class has the same rights as all other units within that class.

Notes to the Financial Statements

For the half-year ended 31 December 2024

(b) Movements in number of units and net assets attributable to unitholders

| | Half-year ended | | Half-year ended | |
|--|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | 31 December 2024 #'000 | 31 December 2024 \$'000 | 31 December 2023 #'000 | 31 December 2023 \$'000 |
| Ordinary class | | | | |
| Balance at 1 July | 180,964 | 210,268 | 201,314 | 222,017 |
| Applications | 14,610 | 18,767 | 17,573 | 19,039 |
| Units issued on reinvestment of distributions | 380 | 464 | 521 | 562 |
| Redemptions | (19,108) | (24,615) | (25,507) | (27,290) |
| Increase in net assets attributable to unitholders | - | 21,698 | - | 13,936 |
| Distributions paid and payable | - | - | - | (2,298) |
| Balance at 31 December | 176,846 | 226,582 | 193,901 | 225,966 |
| Wholesale class | | | | |
| Balance at 1 July | 1 | 1 | - | - |
| Applications | 10,481 | 13,673 | 1 | 1 |
| Units issued on reinvestment of distributions | - | - | - | - |
| Redemptions | (64) | (86) | - | - |
| Decrease in net assets attributable to unitholders | - | (312) | - | - |
| Distributions paid and payable | - | - | - | - |
| Balance at 31 December | 10,418 | 13,276 | 1 | 1 |
| Total | 187,264 | 239,858 | 193,902 | 225,967 |

(c) Restatement due to classification change from equity to financial liability

As a result of the issuance of a new class of units, the Fund's units no longer meet the definition of equity and were reclassified as a financial liability during the financial year ended 30 June 2024. The Fund's distributions to unitholders and increase in net assets attributable to unitholders are now classified as a finance cost attributable to unitholders in the statement of profit or loss, and the 31 December 2023 comparative figures have been restated in accordance with this reclassification.

The reclassification of 31 December 2023 figures are as follows:

| | 31 December 2023 Before reclass \$'000 | 31 December 2023 Reclass \$'000 | 31 December 2023 Post reclass \$'000 |
|--|---|--|---|
| | | | |

Statement of Profit or Loss

| | | | |
|--|--------|--------|--------|
| Profit before finance costs | 16,254 | - | 16,254 |
| <i>Finance costs attributable to unitholders</i> | | | |
| Distributions to unitholders (Q2) | - | 2,318 | 2,318 |
| Increase in net assets | - | 13,936 | 13,936 |
| | - | 16,254 | 16,254 |
| Profit after finance costs | - | - | - |

Balance Sheet

| | | | |
|---|----------------|-----------|----------------|
| Net assets presented as: | | | |
| Equity | 225,967 | (225,967) | - |
| Financial liability | - | 225,967 | 225,967 |
| Net assets attributable to unitholders | 225,967 | - | 225,967 |

Notes to the Financial Statements

For the half-year ended 31 December 2024

| | 31 December 2023 Before reclass \$'000 | 31 December 2023 Reclass \$'000 | 31 December 2023 Post reclass \$'000 |
|---|---|--|---|
| Statement of Changes in Equity | | | |
| Opening balance | 222,017 | - | 222,017 |
| Profit for the half-year | 16,254 | (16,254) | - |
| Movements in units on issue | (7,688) | 7,688 | - |
| Distributions | (4,616) | 2,318 | (2,298) |
| Reclassification from equity to liability | - | (219,719) | (219,719) |
| Closing equity balance | 225,967 | (225,967) | - |

6. Fair value disclosures – financial instruments

a) Fair value measurement of financial instruments

The Fund uses a number of methods to determine the fair value of its financial assets and financial liabilities. The methods comprise the following:

| | |
|----------|--|
| Level 1: | quoted prices (unadjusted) in active markets for identical assets or liabilities. |
| Level 2: | inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). |
| Level 3: | inputs for the asset or liability that are not based on observable market data (unobservable inputs). |

The Fund's only financial instruments measured at fair value are its investments in ASX listed securities.

The Fund measures and recognises the following financial instruments at fair value on a recurring basis as level 1 (quoted market prices). There are no level 2 or level 3 investments.

- Listed equity securities - at Level 1, where quoted prices (unadjusted) in active markets for identical assets.

Valuation techniques used to derive Level 1 fair values

The fair value of financial assets traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The measurement of the fair value of the Fund's investments in listed equity securities is a Level 1 measurement. The Fund's listed equity investments are ASX listed securities with the fair value being determined by reference to the quoted ASX closing price.

b) Fair values of other financial instruments not measured at fair value

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

7. Unrecognised items

a) Overview

Items that have not been recognised on the Fund's balance sheet include contractual commitments for future expenditure and contingent liabilities which are not sufficiently certain to qualify for recognition as a liability on the balance sheet. This note provides details of any such items.

b) Contingent assets and contingent liabilities

As disclosed in the Fund's 30 June 2024 annual financial report, the Directors are not aware of any material contingent assets or contingent liabilities and the Directors are not aware of any material changes in contingent assets or contingent liabilities of the Fund since the last annual financial report.

c) Commitments

At period end the Fund does not have any material expenditure commitments. There was no change since the Fund's last annual financial report.

Notes to the Financial Statements

For the half-year ended 31 December 2024

8. Subsequent events

No matter or circumstance has arisen since 31 December 2024 that has significantly affected or may significantly affect:

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

Directors' Declaration

In the opinion of the Directors of Cromwell Funds Management Limited as responsible entity for Cromwell Phoenix Property Securities Fund (collectively referred to as the Directors):

- (a) the attached financial statements and notes are in accordance with the *Corporations Act 2001* (Cth), including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth), and
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2024 and of its performance for the half-year ended on that date;
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This report is made pursuant to section 303(5) of the *Corporations Act 2001* (Cth).



Ms TL Cox

Chair

14 March 2025

Sydney

Independent Auditor's Review Report To the Members of Cromwell Phoenix Property Securities Fund

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Cromwell Phoenix Property Securities Fund ("Fund") which comprises the balance sheet as at 31 December 2024, 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 summary of accounting policies and other explanatory information, and the directors of the responsible entity's declaration.

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

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

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the responsible entity, would be in the same terms if given to the directors of the responsible entity as at the time of this auditor's review report.

Responsibility of the Directors of the Responsible Entity for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

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

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

Pitcher Partners

PITCHER PARTNERS



CHERYL MASON
Partner

Brisbane, Queensland
14 March 2025