

REP

Appendix 4D

For the period ended 31 December 2021

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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Reporting Period

This report details the consolidated results of REP for the half year 31 December 2021. REP is a stapled security comprising of RAM Australia Retail Property Fund (ARSN 634 136 682) and RAM Australia Medical Property Fund (ARSN 645 964 601).

Results for announcement to the market

This is the first reporting period for REP as a result there are no comparisons available. All amounts are to the half-year ended 31 December 2021.

		\$A'000
Total income from ordinary activities	at	43,333
Profit from ordinary activities after tax attributable to REP stapled group investors	at	27,218
Net profit for the period attributable to REP stapled group	at	27,218

Distributions

Quarter	Cents Per Security	Paid / Payable
December Quarter	1.090	28 January 2021
Total	1.090	

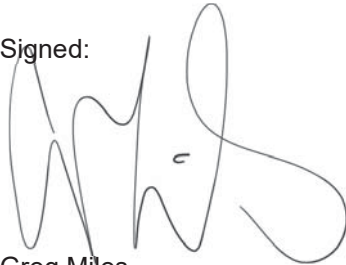
Net Assets per security

	Consolidated	
	31 December 2021	30 June 2021
Net Asset value per ordinary security	\$1.01	N/A

This information should be read in conjunction with the 31 December 2021 Interim Report of REP and any public announcements made during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Listing Rules.

This report is based on the REP 31 December 2021 Interim Report which have been reviewed by PKF. The Independent Auditors' Review Report provided by PKF is included in the 31 December 2021 Interim Report.

Signed:

A handwritten signature in black ink, appearing to read 'GM', with a large, stylized flourish extending to the right.

Greg Miles
Chairman

22 February 2022

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 2021

**RAM Essential Services Property Fund
Directors' report
31 December 2021**

The Directors of RAM Property Funds Management Limited ("RAM"), the Responsible Entity of RAM Australia Retail Property Fund (RARPF) and RAM Australia Medical Property Fund (RAMPF) (together "the Trusts"), present their report together with the Financial Report made in accordance with a resolution of the Directors with respect to the results of the Trust and its controlled entities ("the consolidated entity") for the half-year ended 31 December 2021, the state of the consolidated entity's affairs as at 31 December 2021 and the Independent Auditor's Report thereon.

The RAM Essential Services Property Fund ("The Fund") commenced on 20 October 2021 and RAM was previously appointed Responsible Entity of RARPF from 28 September 2021 and RAMPF from 8 September 2021. RAM is an unlisted private company incorporated under the Corporations Act 2001 and holds an Australian Financial Services Licence.

On 20 October 2021 RARPF and its controlled entities were stapled to RAMPF and its controlled entities to encompass the portfolio of RAM Essential Services Property Fund. The stapled securities of the RAM Essential Services Property Fund are listed on the ASX. The units in RARPF and RAMPF are stapled to the units in the Fund. RAM Australia Retail Property Fund has been identified as the parent entity in relation to the stapling.

Directors

The following persons were directors of RAM Property Funds Management Limited (Responsible Entity) during the whole of the reporting period and up to the date of this report, unless otherwise stated:

Name	Appointed	Retired	Position
Greg Miles	20 October 2021		Independent Non-Executive Charman
Marianne Perkovic	20 October 2021		Independent Non-Executive Director
Bryce Mitchelson	20 October 2021		Independent Non-Executive Director
Scott Wehl			Executive Director & CEO
Scott Kelly			Managing Director
Suzanne Hutchinson		20 October 2021	Director

The company secretary of RAM Property Funds Management Ltd during or since the end of the half-year is:
Stewart Chandler (Appointed 1 September 2021)

Principal activities

The Fund is a registered managed investment schemes domiciled in Australia. The principal objective of the Fund is to invest in accordance with the investment objectives and guidelines set out in the current Product Disclosure Statement dated 30 September 2021, and in accordance with the provisions of their Constitution.

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

There has been no significant change in the activities of the Fund during the financial period since stapling.

	31 December 2021
Statutory net profit (\$m)	27.22
Funds from operations (\$m)	5.54
FFO per security (cps)	1.06
Distributions per security (cps)	1.09
	31 December 2021
Total assets (\$m)	780.43
Investment Properties (\$m)	736.89
Borrowings (\$m)	224.82
Net tangible assets (NTA) (\$m)	524.66
NTA per security (\$)	1.01
Gearing %	25.80

Property Portfolio

The investment portfolio as at 31 December 2021 consisted of 20 medical properties and 13 shopping centres valued at \$736,893,000. This includes a property held for sale of \$19,267,000.

RAM Essential Services Property Fund
Directors' report
31 December 2021

Acquisitions - post stapling events

On 22 October 2021 the Fund acquired 100% interest in the Parkwood Family Practice, located in Parkwood QLD. The building comprises of medical centre leased to IPN Medical Centres with a purchase price of \$7,400,000.

On 22 October 2021 the Fund acquired 100% interest in the Highland Health Centre, located in Highland Park QLD. The building comprises of medical centre leased to IPN Medical Centres with a purchase price of \$8,500,000.

On 26 October 2021 the Fund acquired 100% interest in the Secret Harbour Medical Centre, located in Secret Harbour WA. The building comprises of two-level medical building leased to a variety of medical uses with a purchase price of \$7,550,000.

On 26 October 2021 the Fund acquired 100% interest in the Sunshine Day Hospital, located in Sunshine VIC. The building comprises of private hospital leased to Dr Gastroenterology with a purchase price of \$10,025,000.

On 27 October the Fund acquired 100% interest in the Gold Coast Surgery Centre, located in Gold Coast QLD. The building comprises of three-level medical centre anchored by RAD Radiology and Avanti Healthy Living Group with a purchase price of \$12,750,000.

On 28 October the Fund acquired 100% interest in the Mildura Medical Centre, located in Mildura VIC. The two-level medical building comprising 20 consulting rooms, two pathology rooms and a procedure room, along with meeting and administration areas with a purchase price of \$6,065,000.

On 1 November 2021 the Fund acquired 100% interest in North Ward Medical Centre, located in Townsville QLD. The building comprises of a freestanding purpose-built medical facility with two tenants. The asset is securely anchored by Avanti Healthy Living Group with a purchase price of \$12,400,000.

On 3 November 2021 the Fund acquired 100% interest in the Bowen Hills Day Surgery, located in Bowen Hills QLD. The building comprises of modern two-storey building leased to Life Fertility Clinic with a purchase price of \$20,500,000.

On 5 November 2021 the Fund acquired 100% interest in the Panaceum Medical Centre, located in Geraldton WA. The building comprises of single-level medical facility leased to Care Medical Group with a purchase price of \$13,100,000.

On 3 December 2021 the Fund acquired 100% interest in the Casuarina Medical Centre, located in Casuarina NT. The building comprises of integrated medical centre leased to a variety of medical uses with a purchase price of \$14,000,000.

On 3 December 2021 the Fund acquired 100% interest in the Rosebery Convenience and Medical Centre, located in Rosebery NT. The building comprises of modern medical centre anchored by a large GP provider, physiotherapy and dentist, as well as an essential-retail based convenience offering with a purchase price of \$8,400,000.

Disposals

No property disposals occurred during the period.

Review of operations

Results

The results of the operations of the Fund are disclosed in the consolidated interim statement of profit or loss and other comprehensive income of this interim financial report. The Fund's profit for the period ended 31 December 2021 was \$27,218,000.

The Fund's Net Tangible Assets ('NTA') is \$1.01 per security at 31 December 2021.

Investment property valuations

The total value of the Fund's property portfolio as at 31 December was \$736,893,000.

The weighted average capitalisation rate for the portfolio is 5.64% as at 31 December 2021.

The COVID-19 pandemic continues to create uncertainty in the market which may impact property valuations. The Fund has engaged external valuations for 19 of the 33 properties across the portfolio.

Occupancy

As at 31 December 2021 the Fund's portfolio was 98.9% occupied with a WALE of 7.02 years.

Capital Management

As at 31 December 2021, the Fund had available debt facilities totalling \$263.1 million with a weighted average expiry of 2.6 years. Drawn borrowings totalled \$224.8 million with an all in cost of funds for the period being 2.18%.

The Fund's gearing at 31 December 2021 was 25.8%.

RAM Essential Services Property Fund
Directors' report
31 December 2021

Distributions

Distributions paid or payable in respect of the half-year were:

	DPU cps	Distribution \$'000
31 December 2021	1.090	5,690

The December quarter key dates in consideration for the distribution were:

Ex-distribution date: 30 December 2021
Record date: 31 December 2021
Distribution payment date: 28 January 2022

Funds from Operations (FFO) for the period ended 31 December 2021 was \$5,543,000.

For the period ended 31 December 2021, total distributions of 1.09 cps was declared which compared to 1.06 cps of FFO per security, represents a payout ratio of 102.6%.

The below provides a reconciliation from the consolidated interim statement of profit or loss and other comprehensive income to the FFO for the period:

	31 December 2021 \$'000
Statutory net profit for period:	27,218
	-
(Gain) / loss on fair value of investment properties	(33,105)
(Gain) / loss on fair value of derivatives	(435)
Depreciation and amortisation expense	711
Transaction costs	10,782
Amortisation of debt arrangement fees	377
Straight lining of rent	(194)
Rent free and abatements	189
	5,543

Significant changes in the state of affairs

The RAM Essential Services Property Fund is a "stapled entity" comprising RARPF and its controlled entities, and RAMPF and its controlled entities. The securities in the Stapled Group are stapled to the units in the RARPF and RAMPF. The stapled securities of the RAM Essential Services Property Fund are listed on the ASX. RAM Australia Retail Property Fund has been identified as the parent entity in relation to the stapling.

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

There were no other significant changes in the state of affairs of the Fund during the financial period.

Matters subsequent to the end of the financial period

On the 22 February 2022 the Fund exchanged contracts to acquire 100% interest in Lakes Medical Centre, located in Perth WA for \$8.1m. The building comprises of a well-established medical centre comprised of two separate buildings located over two adjoining allotments with a combined land area of 2,208 square metres, constructed in 2017/18. Lakes Medical Centre is a located in Perth's key southern growth corridor, approximately 20kms from the CBD and adjacent to the main southern precinct of Cockburn Central.

On the 22 February 2022 the Fund exchanged contracts to acquire 100% interest in Cambridge Day Surgery, located in Perth WA for \$8.9m. The building comprises standalone 23-hour day surgery with 2 purpose built operating theatres, a minor procedures room and 3 double patient rooms which can accommodate 6 patients for overnight stays. The facility has 19 licensed beds and commenced operations in c.2008. Located in the suburb of Wembley, within the Town of Cambridge approximately 3.7km north-west of the Perth CBD. The property is 100% occupied by Cambridge Day Surgery.

On the 22 February 2022 the Fund exchanged contracts to acquire 100% interest in St John of God Day Surgery, located in Perth WA for \$27.0m. The building comprises a stand-alone 23-hour day surgery with 3 purpose built operating theatres and 4 double patient rooms which can accommodate 8 patients for overnight stays. The facility commenced operations in 2015 and is situated opposite St John of God Subiaco Hospital. The property is located in the suburb of Wembley, within the suburb of Wembley approximately 3.7km north-west of the Perth CBD.

The sale of the Gunnedah Shopping Centre exchanged on the 22nd of February 2022 with a sale price of \$20,250,000 representing a capitalised rate of 5.3%. The asset has been classified as current held for sale asset at the net proceeds amount of \$19,267,000.

Since balance date, the COVID-19 pandemic has continued to evolve and may have an impact on specific areas of judgement required for preparing these financial statements.

The Fund has continued to re-evaluate the significant inputs used to drive property valuations and recoverability of tenant arrears on a regular basis.

RAM Essential Services Property Fund
Directors' report
31 December 2021

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Stapled Fund's operations, the results of those operations, or the Stapled Fund's state of affairs in future financial years.

Material business risks

There are a number of risks associated with investing in the Fund. Key risks specific to an investment in the Fund include:

COVID-19

Events relating to COVID-19 have had an impact on the financial performance of the Fund. These impacts have included:

- trading restrictions imposed on some of our tenants
- the National Cabinet Mandatory Code of Conduct enacted in each state
- increases in operational expenses related to the COVID-19 pandemic

The National Cabinet Mandatory Code of Conduct requires the Fund to offer eligible tenants a proportionate reduction in rent payable during the COVID-19 pandemic period. These reductions take the form of rental waivers and deferrals of up to 100% of the amount of rent ordinarily payable.

The reductions are based on the tenant's trade during the period. Rental waivers must constitute no less than 50% of the total reduction in rent payable with the other 50% in the form of rental deferrals. A total of \$88,000 in rental abatements have been made available to tenants by the Fund with \$78,750 in rental deferrals being offered during the period.

The Code also provides that Landlords where appropriate waive recovery of any other expense by a tenant while the tenant is unable to trade. A total of \$2,000 has been waived from tenant's recurring service charges.

For tenants that are not covered by the Mandatory Code of Conduct, the Fund has assessed the tenants on an individual basis.

Rental income and expenses risk

Distributions made by the Fund are largely dependent on the rents received from tenants across the Portfolio and expenses incurred during operations, which may be affected by a number of factors, including overall economic conditions and property market conditions.

Property valuation risk

The value of each Property held by the Fund may fluctuate due to a number of factors affecting both the property market generally or the Fund's Properties in particular. A reduction in the value of any Property may adversely affect the value of Securities.

Re-leasing and vacancy risk

The Portfolio's leases will come up for renewal on a periodic basis. There is a risk that the Fund may not be able to negotiate suitable lease renewals. This may result in periods of vacancy, a reduction in the Fund's profits and Distributions and a reduction in the value of the assets of the Fund.

Property illiquidity

By their nature, investments in real property assets are illiquid investments. There is a risk that should the Fund be required to realise Property assets, it may not be able to do so in a short period of time, or may not be able to realise a Property asset for the amount at which it has been valued. This may adversely affect the Fund's NTA and the value of Securities.

Competition

The Fund will face competition from other property groups active in Australia. Such competition could lead to loss of tenants to competitors, an inability to secure new tenants resulting from oversupply of commercial space and an inability to secure maximum rents due to increased competition.

Development risk

The Fund has identified a pipeline of value-add opportunities including future development of the Properties. The risks faced by the Fund in relation to existing or future development projects will depend on the terms of the transaction at the time. The Fund will seek to mitigate the risks associated with development projects by employing the following risk mitigation strategies:

- obtaining relevant statutory permits;
- obtaining leasing pre-commitments; and
- entering into appropriate building contracts with builders and other service providers.

Interest rate risk

The Fund will be exposed to fluctuations in interest rates which may reduce the Fund's profit and distributions. The Fund will enter into interest rate hedging contracts to mitigate this risk.

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.

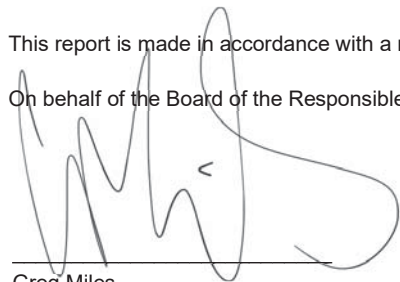
**RAM Essential Services Property Fund
Directors' report
31 December 2021**

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the Board of the Responsible Entity



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

22 February 2022
Sydney

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 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 2021, 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.



PKF



MARTIN MATTHEWS
PARTNER

22 FEBRUARY 2022
NEWCASTLE, NSW

RAM Essential Services Property Fund
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General information

These financial statements cover RAM Essential Services Property Fund (the "Fund") comprising RAM Australia Retail Property Fund ("RARPF"), RAM Australia Medical Property Fund ("RAMPF"), and their controlled entities. These financial statements are presented in Australian currency.

The Responsible Entity of RARPF and RAMPF is RAM Property Funds Management Limited (ABN 28629 968 163; AFSL 514484). The Responsible Entity's registered office is:

Level 32.1
264 George Street
Sydney NSW 2000

RAM Essential Services Property Fund
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2021

	Note	Consolidated 31 Dec 2021 \$'000
Revenue		
Rent from investment properties		9,793
Unrealised gains on revaluation of property		33,105
Unrealised gains on financial instruments		435
Expenses		
Auditor's remuneration		(20)
Investment property expenses		(2,580)
Other expenses		(178)
Transaction costs		(10,782)
Responsible Entity fees		(930)
Property management fees		(308)
Finance expenses relating to interest-bearing liabilities		<u>(1,317)</u>
Profit for the period		27,218
Other comprehensive income for the period		<u>-</u>
Total comprehensive income for the period		<u><u>27,218</u></u>
Profit for the period is attributable to:		
Non-controlling interest		8,762
Security Holders of RAM Essential Services Property Fund	19	<u>18,456</u>
		<u><u>27,218</u></u>
Total comprehensive income for the period is attributable to:		
Non-controlling interest		8,762
Security Holders of RAM Essential Services Property Fund		<u>18,456</u>
		<u><u>27,218</u></u>
Cents		
Basic earnings per security		5.22
Diluted earnings per security		5.22

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 2021

	Note	Consolidated 31 Dec 2021 \$'000
Assets		
Current assets		
Cash and cash equivalents	6	31,469
Trade and other receivables	7	2,816
Other current assets	8	<u>1,903</u>
		36,188
Non-current assets held for sale	9	<u>19,267</u>
Total current assets		<u>55,455</u>
Non-current assets		
Derivative financial instruments	10	435
Investment properties	11	717,626
Intangibles	12	3,808
Other non-current assets	13	<u>3,103</u>
Total non-current assets		<u>724,972</u>
Total assets		<u>780,427</u>
Liabilities		
Current liabilities		
Trade and other payables	14	25,776
Interest bearing loans and borrowings	15	<u>13,100</u>
Total current liabilities		<u>38,876</u>
Non-current liabilities		
Security deposits	16	703
Interest bearing loans and borrowings	17	<u>209,282</u>
Total non-current liabilities		<u>209,985</u>
Total liabilities		<u>248,861</u>
Net assets		<u>531,566</u>
Equity		
Issued securities	18	246,733
Undistributed profits	19	<u>20,503</u>
Equity attributable to the security holders of RAM Essential Services Property Fund		267,236
Non-controlling interest		<u>264,330</u>
Total equity		<u>531,566</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 period ended 31 December 2021

Consolidated	Issued securities \$'000	Undistributed profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 20 October 2021	-	-	-	-
Profit for the period	-	18,456	8,762	27,218
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	18,456	8,762	27,218
Net assets of RAMPF on stapling to RARPF	-	-	255,568	255,568
<i>Transactions with security holders in their capacity as security holders:</i>				
Contributions of equity, net of transaction costs (note 18)	246,733	7,737	-	254,470
Distributions paid	-	(5,690)	-	(5,690)
Balance at 31 December 2021	<u>246,733</u>	<u>20,503</u>	<u>264,330</u>	<u>531,566</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 period ended 31 December 2021

	Note	Consolidated 31 Dec 2021 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)		10,772
Payments to suppliers (inclusive of GST)		<u>(3,295)</u>
		7,477
Interest received		195
Interest and other finance costs paid		<u>(1,364)</u>
Net cash from operating activities	25	<u>6,308</u>
Cash flows from investing activities		
Payments for investment property	11	<u>(122,164)</u>
Net cash used in investing activities		<u>(122,164)</u>
Cash flows from financing activities		
Proceeds from issue of securities	18	192,701
Repayment of borrowings		<u>(53,201)</u>
Net cash from financing activities		<u>139,500</u>
Net increase in cash and cash equivalents		23,644
Cash and cash equivalents at the beginning of the financial period		-
Cash balance of RARPF on date of stapling		6,850
Cash balance of RAMPF on date of stapling		<u>975</u>
Cash and cash equivalents at the end of the financial period		<u><u>31,469</u></u>

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
31 December 2021

Note 1. General information

These financial statements cover RAM Essential Services Property Fund ("Stapled Fund"). The financial statements are presented in Australian dollars, which is the Stapled Fund's functional and presentation currency.

RAM Essential Services Property Fund is a listed Managed Investment scheme, incorporated and domiciled in Australia.

Registered office and principal place of business:

Suite 32.1
264 George Street
Sydney NSW 2000

A description of the nature of the Stapled Fund's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors of the Responsible Entity, on 22 February 2022.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

Basis of preparation

These condensed financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

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*.

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.

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 shares 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. RAM Australia Retail Property Fund has been identified as the parent entity in relation to the stapling.

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

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

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of the Stapled Fund as at 31 December 2021 and the results of all controlled entities of the Stapled Fund for the period then ended. RAM Essential Services Property Fund and its controlled entities together are referred to in these financial statements as the 'Stapled Fund'.

Controlled entities are all those entities over which the Stapled Fund has control. The Stapled Fund controls an entity when the Stapled Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Controlled entities are fully consolidated from the date on which control is transferred to the Stapled Fund. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Stapled Fund are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Stapled Fund.

RAM Essential Services Property Fund
Notes to the financial statements
31 December 2021

Note 2. Significant accounting policies (continued)

The acquisition of controlled entities is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Stapled Fund. Losses incurred by the Stapled Fund are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Stapled Fund loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Stapled Fund recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition

The Stapled Fund recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Stapled Fund is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Stapled Fund: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Stapled Fund's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Stapled Fund's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Stapled Fund has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

RAM Essential Services Property Fund
Notes to the financial statements
31 December 2021

Note 2. Significant accounting policies (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Cash flow hedges

Cash flow hedges are used to cover the Stapled Fund's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Stapled Fund. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Stapled Fund prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

RAM Essential Services Property Fund
Notes to the financial statements
31 December 2021

Note 2. Significant accounting policies (continued)

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

For Medical Properties, if the capitalisation rate increased by 25 basis points, fair value would reduce by \$14.4 million from the fair value as at 31 December 2021 & and if capitalisation rate decreased by 25 basis points, fair value would increase by \$15.9 million from the fair value as at 31 December 2021.

For Retail Properties, if the capitalisation rate increased by 25 basis points, fair value would reduce by \$17.3 million from the fair value as at 31 December 2021 & and if capitalisation rate decreased by 25 basis points, fair value would increase by \$18.8 million from the fair value as at 31 December 2021.

Issued security

Ordinary securities are classified as equity.

Incremental costs directly attributable to the issue of new securities or options are shown in equity as a deduction from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Stapled Fund assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Stapled Fund's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Stapled Fund remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

RAM Essential Services Property Fund
Notes to the financial statements
31 December 2021

Note 2. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

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 annual reporting period ended 31 December 2021. The Stapled Fund has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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 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 Stapled Fund's chief operating decision maker.

Note 4. Revenue

Disaggregation of revenue

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

	Consolidated 31 Dec 2021 \$'000
Rental income	8,547
Recoverable outgoings	1,051
Straight-line of rental income	195
	9,793

Note 5. Total revenue

	Consolidated 31 Dec 2021 \$'000
Rent from investment properties	9,793
Unrealised gains on revaluation of property	33,105
Unrealised gains on financial instruments	435
	43,333

Note 6. Current assets - cash and cash equivalents

	Consolidated 31 Dec 2021 \$'000
Cash at bank	31,469

RAM Essential Services Property Fund
Notes to the financial statements
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Note 7. Current assets - trade and other receivables

	Consolidated 31 Dec 2021 \$'000
Trade receivables	2,037
Less: Allowance for expected credit losses	<u>(254)</u>
	1,783
Other receivables	<u>1,033</u>
	<u><u>2,816</u></u>

Note 8. Current assets - other current assets

	Consolidated 31 Dec 2021 \$'000
Accrued revenue	1,292
Prepayments	<u>611</u>
	<u>1,903</u>

Note 9. Current assets - non current assets held for sale

	Consolidated 31 Dec 2021 \$'000
Gunnedah Shopping Centre, Gunnedah NSW	<u>19,267</u>

Note 10. Non-current assets - derivative financial instruments

	Consolidated 31 Dec 2021 \$'000
Interest rate swap contracts - cash flow hedges	<u>435</u>

RAM Essential Services Property Fund
Notes to the financial statements
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Note 11. Non-current assets - investment properties

	Consolidated 31 Dec 2021 \$'000
QLD	
Bowen Hills Day Surgery, Bowen Hills QLD	20,668
Coomera Square, Coomera QLD	77,500
Highland Health Centre, Highland Park QLD	10,100
Keppel Bay Plaza, Yeppoon QLD	34,320
Miami Day Hospital, Miami, QLD	20,200
North Ward Medical Centre, North Ward QLD	12,650
Parkwood Family Practice, Parkwood QLD	8,100
Springfield Fair, Springfield QLD	39,000
The Banyans Health & Wellness Centre, Clear Mountain QLD	8,600
The Gold Coast Surgery Centre, Southport QLD	20,550
The Hub Westlake, Westlake QLD	10,802
The North Lakes Centre, North Lakes QLD	7,819
Willetts Health Precinct, Mount Pleasant QLD	16,850
Windaroo Village, Windaroo QLD	11,167
Yeronga Village Shopping Centre, Yeronga QLD	24,000
NSW	
Corrimal Private Health Centre, Corrimal NSW	6,128
Mayo Private Hospital, Taree NSW	52,000
Dubbo Private Hospital, Dubbo NSW	22,000
Ballina Central Shopping Centre, Ballina NSW	48,100
Broadway Plaza, Punchbowl NSW	56,250
Rutherford Shopping Centre, Rutherford NSW	23,200
Tanilba Bay Shopping Centre, Tanilba Bay NSW	22,700
VIC	
Mildura Medical Centre, Mildura VIC	6,065
Sunshine Day Hospital, Sunshine VIC	10,025
TAS	
Mowbray Market Place, Mowbray TAS	44,182
North West Private Hospital, Cooeee TAS	41,900
NT	
Casuarina Medical Precinct, Casuarina NT	14,600
Rosebery Convenience & Medical Centre, Rosebery NT	8,400
WA	
Swan Medical Centre, Midlands WA	8,100
Madeley Medical Centre, Madeley WA	10,400
Panaceum Medical Centre, Geraldton WA	13,700
Secret Harbour Medical Centre, Secret Harbour WA	7,550
	717,626
	717,626

RAM Essential Services Property Fund
Notes to the financial statements
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Note 11. Non-current assets - investment properties (continued)

	Consolidated 31 Dec 2021 \$'000
Investment properties - retail	399,039
Investment properties - medical	318,587
	717,626
	717,626

Reconciliation

Reconciliation of the fair values at the beginning and end of the current financial period are set out below:

Opening fair value	579,340
Additions	134,902
Classified as held for sale (note 9)	(19,267)
Revaluation increments	33,105
Depreciation and amortisation expense	(711)
Transaction costs	(9,743)
	717,626
Closing fair value	717,626

Lessor commitments

	Consolidated 31 Dec 2021 \$'000
Minimum lease commitments receivable but not recognised in the financial statements:	
1 year or less	49,160
Between 1 and 2 years	45,192
Between 2 and 3 years	39,869
Between 3 and 4 years	36,237
Between 4 and 5 years	30,867
Over 5 years	119,186
	320,511
	320,511

Note 12. Non-current assets - intangibles

	Consolidated 31 Dec 2021 \$'000
Other intangible assets - at cost	3,808
	3,808
Represents goodwill on acquisition of controlled entities.	

Note 13. Non-current assets - other non-current assets

	Consolidated 31 Dec 2021 \$'000
Other non-current assets	3,103
	3,103

RAM Essential Services Property Fund
Notes to the financial statements
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Note 14. Current liabilities - trade and other payables

	Consolidated 31 Dec 2021 \$'000
Trade payables	1,483
Accrued expenses	15,836
Other payables	243
Deferred income	1,821
Security deposits	257
Distributions payable	6,136
	25,776
	25,776

Note 15. Current liabilities - Interest bearing loans and borrowings

On the 22nd of September 2021, the senior loan facility with the Westpac Banking Corporation, for the RARPF investment property; Keppel Bay Plaza Shopping Centre was signed with an expiry date of 22 of December 2021. On the 22nd of December, this facility was extended to the 18th of April 2022.

	Consolidated 31 Dec 2021 \$'000
Loan Facility Drawn	13,100
	13,100

Note 16. Non-current liabilities - security deposits

	Consolidated 31 Dec 2021 \$'000
Security deposits	703
	703

Note 17. Non-current liabilities - Interest bearing loans and borrowings

On the 24th of September 2021, the two Funds jointly entered into a Syndicated Debt Facility with the Commonwealth Bank of Australia. The Debt Facility is for a term of three years and provides the borrower RAM Australia FinCo Pty Ltd (FinCo) with a loan facility totalling \$250.0m. On the 22nd of October 2021, the FinCo withdrew \$211.7m to refinance existing Commonwealth Bank Facilities and complete the acquisitions of 11 Medical Properties.

	Consolidated 31 Dec 2021 \$'000
Bank loans	211,723
Less Attributable transaction costs	(2,441)
	209,282
	209,282

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated 31 Dec 2021 \$'000
Bank loans	224,823
Less Attributable transaction costs	(2,441)
	222,382
	222,382

RAM Essential Services Property Fund
Notes to the financial statements
31 December 2021

Note 17. Non-current liabilities - Interest bearing loans and borrowings (continued)

Assets pledged as security

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

Note 18. Equity - issued securities

On 20th October 2021 RAM Australia Retail Property Fund ("RARPF") combined with RAM Australia Medical Property Fund ("RAMPF") to create the RAM Essential Services Property Fund ("RESP") as a "stapled entity". Under the stapling arrangement, each stapled security is issued at a ratio of 1 for 1 between RARPF and RAMPF.

As part of the restructure, existing unit holders of RARPF and RAMPF were provided the option to redeem their units in the fund or to equalise their existing units to the stapled securities of RESP.

This resulted in 277,737,937 units being redeemed, and 506,208,336 securities issued to form the stapled securities in RESP. A total of \$12,244,000 of transaction costs relating to the listing were allocated to equity.

	31 Dec 2021 securities	31 Dec 2021 \$'000
Ordinary units - fully paid	260,542,047	246,733
Non-controlling interest units - fully paid	260,542,047	255,568
	<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 company in proportion to the number of and amounts paid on the securities held. The fully paid ordinary securities have no par value and the company 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

There is no current on-market security buy-back.

Note 19. Equity - undistributed profits

	Consolidated 31 Dec 2021 \$'000
Undistributed profits at the beginning of the financial period	7,737
Profit for the period	18,456
Distributions paid	<u>(5,690)</u>
Undistributed profits at the end of the financial period	<u>20,503</u>

Note 20. Fair value measurement

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

Consolidated - 31 Dec 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Investment properties - retail		399,039		399,039
Investment properties - medical		318,587		318,587
Investment property held for sale (note 9)	19,267			19,267
Financial Instruments - cash flow hedge	435			435
Total assets	<u>19,702</u>	<u>717,626</u>	<u>-</u>	<u>737,328</u>

RAM Essential Services Property Fund
Notes to the financial statements
31 December 2021

Note 20. Fair value measurement (continued)

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial period.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Direct property assets are valued in accordance with Fund 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 Responsible Entity, acting in good faith, after considering all relevant market-based information and circumstances.

Where the Responsible Entity believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent 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 best practice market methodologies including discounted cash flow, capitalisation and comparison methodologies.

Note 21. Controlled entities

The following entities were controlled by the Stapled Fund during the financial half-year respectively.

	Consolidated 31 Dec 2021 %
Held directly by RAM Australia Retail Property Fund	
RAM Australia Retail Property No. 1 Trust	100%
RAM Australia Retail Property No. 2 Trust	100%
RAM Australia Retail Property No. 3 Trust	100%
RAM Australia Retail Property No. 4 Trust	100%
RAM Australia Retail Property No. 5 Trust	100%
RAM Australia Retail Property No. 6 Trust	100%
RAM Australia Retail Property No. 7 Trust	100%
RAM Australia Retail Property No. 8 Trust	100%
RAM Australia Retail Property No. 9 Trust	100%
RAM Australia Keppel Bay Plaza Trust	100%
North Lakes Centre No. 1 Trust	100%
RAM Essential Services FinCo Pty Ltd	50%
Consolidated 31 Dec 2021 %	
Held directly by RAM Australia Medical Property Fund	
RAM Australia Medical Property No. 1 Trust	100%
RAM Australia Medical Property Mid Trust	100%
RAM Essential Services FinCo Pty Ltd	50%

RAM Essential Services Property Fund
Notes to the financial statements
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Note 21. Controlled entities (continued)

	Consolidated 31 Dec 2021 %
Held directly by RAM Australia Medical Property Mid Trust	
RAM Australia Medical Property No. 2 Trust	100%
RAM Australia Medical Property No. 3 Trust	100%
RAM Australia Medical Property No. 4 Trust	100%
RAM Australia Medical Property No. 5 Trust	100%
RAM Australia Medical Property No. 6 Trust	100%
RAM Australia Medical Property No. 7 Trust	100%
RAM Australia Medical Property No. 8 Trust	100%
RAM Australia Medical Property No. 9 Trust	100%
RAM Australia Medical Property No. 10 Trust	100%
RAM Australia Medical Property No. 11 Trust	100%
RAM Australia Medical Property No. 12 Trust	100%
RAM Australia Medical Property No. 13 Trust	100%
RAM Australia Medical Property No. 14 Trust	100%
RAM Australia Medical Property No. 15 Trust	100%
RAM Australia Medical Property No. 16 Trust	100%
RAM Australia Medical Property No. 17 Trust	100%
RAM Australia Medical Property No. 18 Trust	100%
RAM Australia Medical Property No. 19 Trust	100%
RAM Australia Medical Property No. 20 Trust	100%

Note 22. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent - RARPF 31 Dec 2021 \$'000
Profit	18,454
Total comprehensive income	18,454

Statement of financial position

	Parent - RARPF 31 Dec 2021 \$'000
Total current assets	50,221
Total assets	402,894
Total current liabilities	22,409
Total liabilities	135,659
Equity	
Issued securities	246,733
Undistributed profits	20,501
Total equity	267,234

RAM Essential Services Property Fund
Notes to the financial statements
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Note 23. Events after the reporting period

On the 22 February 2022 the Fund exchanged contracts to acquire 100% interest in Lakes Medical Centre, located in Perth WA for \$8.1m. The building comprises of a well-established medical centre comprised of two separate buildings located over two adjoining allotments with a combined land area of 2,208 square metres, constructed in 2017/18. Lakes Medical Centre is a located in Perth's key southern growth corridor, approximately 20kms from the CBD and adjacent to the main southern precinct of Cockburn Central.

On the 22 February 2022 the Fund exchanged contracts to acquire 100% interest in Cambridge Day Surgery, located in Perth WA for \$8.9m. The building comprises standalone 23-hour day surgery with 2 purpose built operating theatres, a minor procedures room and 3 double patient rooms which can accommodate 6 patients for overnight stays. The facility has 19 licensed beds and commenced operations in c.2008. Located in the suburb of Wembley, within the Town of Cambridge approximately 3.7km north-west of the Perth CBD. The property is 100% occupied by Cambridge Day Surgery.

On the 22 February 2022 the Fund exchanged contracts to acquire 100% interest in St John of God Day Surgery, located in Perth WA for \$27.0m. The building comprises a stand-alone 23-hour day surgery with 3 purpose built operating theatres and 4 double patient rooms which can accommodate 8 patients for overnight stays. The facility commenced operations in 2015 and is situated opposite St John of God Subiaco Hospital. The property is located in the suburb of Wembley, within the suburb of Wembley approximately 3.7km north-west of the Perth CBD.

The sale of the Gunnedah Shopping Centre exchanged on the 22nd of February 2022 with a sale price of \$20,250,000 representing a capitalised rate of 5.3%. The asset has been classified as current held for sale asset at the net proceeds amount of \$19,267,000.

Since balance date, the COVID-19 pandemic has continued to evolve and may have an impact on specific areas of judgement required for preparing these financial statements.

The Fund has continued to re-evaluate the significant inputs used to drive property valuations and recoverability of tenant arrears on a regular basis.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Stapled Fund's operations, the results of those operations, or the Stapled Fund's state of affairs in future financial years.

Note 24. Related parties

Key management personnel

The Responsible Entity itself does not employ any management personnel directly and has appointed the Investment Manager to provide all the necessary services for the overall day-to-day management of the Fund including recommendations for those matters reserved for decision by the Board.

No compensation is paid directly by the Group to any key management personnel of the Responsible Entity.

Key management personnel loan disclosures

The Stapled Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Related Party fees and other transactions

Investment Management Fees

The investment management fee is calculated at 0.65% per annum, excluding GST, of the gross asset value up to and including \$1.50B, and 0.55% per annum of the gross asset value in excess of \$1.50B.

Acquisition Fees

The acquisition fee is calculated at 0.75% of the acquisition price of any acquisitions undertaken by the Stapled Group. Acquisition fees relating to those properties contracted before the stapling were calculated at 1.5%.

Property Management Fees

The property management fees are calculated at 3.0% of the monthly gross income for each Property.

Leasing Fees

The Property Manager is entitled to receive leasing fees for the provision of leasing services in relation to the Properties including for new tenants and renewals of existing tenants.

Development Management Fees

The development management fees are calculated at 5% of the greater of development costs and gross valuation uplift. Valuation uplift is calculated as the value of the asset upon completion less the value of the asset at acquisition or at commencement of project. This fee is payable at significant stages in the development plan.

Finance facilitation fees / debt arrangement fees

As per the previous terms of the investment management agreements of RARPF and RAMPF, which were applicable when the Debt Facility Agreement was entered into pre stapling, a one-off fee of 0.25% of the Debt Facility is payable to the Investment Manager.

Accounting Fees

RAM Australia Property Services Pty Ltd, a related party to the Responsible Entity, provides accounting services directly to the Fund on fixed rate contracts, determined by the number of tenants of the associated property to the Trust.

All related party payables are non-interest bearing with payment terms and conditions consistent with normal commercial practices.

RAM Essential Services Property Fund
Notes to the financial statements
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Note 24. Related parties (continued)

	Consolidated 31 Dec 2021 \$'000
Real Asset Management Pty Ltd	
Investment Management Fees	599
Registry Fees	10
Property Acquisition Fees	1,086
	1,695
	Consolidated 31 Dec 2021
RAM Australia Property Services Pty Ltd	
Investment management fees	322
Property acquisition fees	724
Accounting fees	102
Development management fees	777
Leasing fees	893
Finance facilitation fees	625
	3,443

At the reporting date an amount of \$2.0m is owing to the related parties and is included in the trade and other payables.

	Consolidated 31 Dec 2021 \$'000
Payable to related parties	
Real Asset Management Pty Ltd	292
RAM Property Funds Management Limited	250
RAM Australia Property Services Pty Ltd	1,464
	2,006

Securities held by related parties

At 31 December 2021, the following related parties of the Responsible Entity hold securities in the Fund.

	Closing units held	Closing interest held (%)
RAM Property Security Fund	146,484,895	28.1
RAM Group Nominees Pty Ltd	5,000,000	1.0
ECT CSF	4,801,092	1.0
Scott Wehl	200,000	0.0
Greg Miles	150,000	0.0
Bryce Mitchelson	150,000	0.0
Marianne Perkovic	100,000	0.0
Scott Kelly	100,000	0.0
	156,985,987	30.1

RAM Essential Services Property Fund
Notes to the financial statements
31 December 2021

Note 25. Reconciliation of profit to net cash from operating activities

	Consolidated 31 Dec 2021 \$'000
Profit for the period	27,218
Adjustments for:	
Depreciation and amortisation	1,088
Net fair value gain on investment properties	(33,105)
Transaction costs	10,782
IFRS rental income	(195)
Net fair value gain on financial instruments	(435)
Change in operating assets and liabilities:	
Decrease in other current assets	2,239
Increase in trade and other payables	342
Increase in other non-current assets	(195)
Increase in other payables	378
Increase in trade and other receivables	(1,809)
Net cash from operating activities	6,308

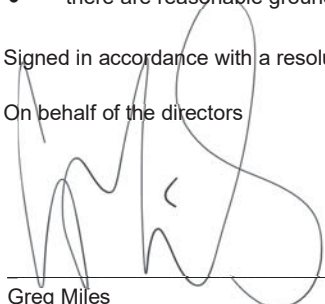
**RAM Essential Services Property Fund
Directors' declaration
31 December 2021**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 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 2021 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company 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.

On behalf of the directors



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

22 February 2022
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE SECURITY HOLDERS 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 Property Fund (the Fund), which comprises the statement of financial position as at 31 December 2021, 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 2021, 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 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 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 company's financial position as at 31 December 2021 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.



PKF



MARTIN MATTHEWS
PARTNER

22 FEBRUARY 2022
NEWCASTLE, NSW

RAM Australia Retail Property Fund

ARSN 634 136 682

Interim Report - 31 December 2021

**RAM Australia Retail Property Fund
Directors' report
31 December 2021**

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 2021, the state of the consolidated entity's affairs as at 31 December 2021 and the Independent Auditor's Report thereon.

The Fund commenced on 28 September 2016 and RAM was appointed the Responsible Entity on the 28 June 2019. Prior to this Real Asset Management Pty Ltd was the Responsible Entity of the fund since establishment. RAM is an unlisted private company incorporated under the Corporations Act 2001 and holds an Australian Financial Services Licence.

Directors

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

Name	Appointed	Retired	Position
Greg Miles	20 October 2021		Independent Non-Executive Charman
Marianne Perkovic	20 October 2021		Independent Non-Executive Director
Bryce Mitchelson	20 October 2021		Independent Non-Executive Director
Scott Wehl			Executive Director & CEO
Scott Kelly			Managing Director
Suzanne Hutchinson		20 October 2021	Director
Steven Pritchard		28 September 2021	Director

The company secretary of RAM during or since the end of the half-year is:
Stewart Chandler 01 September 2021

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.

Property portfolio

The investment portfolio as at 31 December 2021 consisted of 13 shopping centres (30 June 2021: 13 shopping centres) valued at \$418,305,000 (30 June 2021: \$337,160,000). The investment portfolio consists of convenience based neighbourhood shopping centres with a strong weighting towards non-discretionary retail segments.

The Gunnedah Shopping Centre as been reclassified as a non-current asset held for sale at 31 December 2021.

Acquisitions

No property acquisitions occurred during the period.

Disposals

No property disposals occurred during the period.

Review of operations

Results

The results of the operations of the Fund are disclosed in the consolidated interim statement of profit or loss and other comprehensive income of this interim financial report. The Fund's profit for the half-year ended 31 December 2021 was \$23,108,000 (31 December 2020: \$6,603,000).

The Fund's Net Tangible Assets ('NTA') is \$1.00 per security at 31 December 2021.

RAM Australia Retail Property Fund
Directors' report
31 December 2021

Investment property valuations

The total value of the Fund's portfolio as at 31 December was \$418,305,000 (30 June 2021: \$384,287,000).

The weighted average capitalisation rate for the portfolio is 5.87% as at 31 December 2021 (30 June 2021: 6.02%).

The COVID-19 pandemic continues to create uncertainty in the market which may impact property valuations. The Fund has engaged external valuations on 5 of the 13 properties across the portfolio.

Occupancy

As at 31 December 2021 the Fund's portfolio was 99.7% occupied with a WALE of 6.27 years.

Capital Management

As at 31 December 2021, the Stapled Group had total debt facilities totalling \$263.1 million with a weighted average expiry of 2.59 years (30 June 2021: 1.0 years). The Stapled Group's debt facilities consist of a \$13.1m Westpac facility and the \$250.0m syndicated debt facility. Drawn borrowings totalled \$224.8 million, of which \$127.6m was allocated to the Fund (30 June 2021: \$62.5 million) with an all in cost of funds for the period being 2.34% (FY21: 2.54%).

The Fund's gearing at 31 December 2021 was 23.2% (30 June 2021: 41.6%).

Distributions

Distributions paid or payable in respect of the half-year were:

	31 December Cents per security	2021 \$'000	31 December Cents per security	2020 \$'000
30 September 2021	0.013	2,821	0.015	2,758
19 October 2021	0.001	217	-	-
31 December 2021	0.012	3,160	0.014	2,823
	<u>0.026</u>	<u>6,198</u>	<u>0.029</u>	<u>5,581</u>

Significant changes in the state of affairs

On 20 October 2021 the Fund and its controlled entities was stapled to RAM Australia Medical Property Fund and its controlled entities to encompass the portfolio of RAM Essential Services Property Fund ("Stapled Group"). The securities of the Stapled Group 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 has been identified as the parent entity in relation to the stapling.

The two stapled entities remain separate legal entities in accordance with the Corporations Act 2001 and are each required to comply with the reporting and disclosure requirements of Accounting Standards and Corporations Act 2001.

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

Matters subsequent to the end of the financial half-year

The sale of the Gunnedah Shopping Centre exchanged on the 22 February 2022 with a sale price of \$20,250,000 representing a capitalised rate of 5.3%. The asset has been classified as a non-current asset held for sale at the net proceeds after selling costs amount of \$19,267,000.

Since balance date, the COVID-19 pandemic has continued to evolve and may have an impact on specific areas of judgement required for preparing these financial statements.

The Fund has continued to re-evaluate the significant inputs used to drive property valuations and recoverability of tenant arrears on a regular basis.

RAM Australia Retail Property Fund
Directors' report
31 December 2021

Material business risks

There are a number of risks associated with investing in the Fund. Key risks specific to an investment in the Fund include:

Covid-19

The events relating to COVID-19 have had an adverse impact on the financial performance of the Fund. These impacts have included:

- trading restrictions imposed on some of our tenants
- the National Cabinet Mandatory Code of Conduct enacted in each state
- increases in operational expenses related to the COVID-19 pandemic

The National Cabinet Mandatory Code of Conduct requires the Fund to offer eligible tenants a proportionate reduction in rent payable during the COVID-19 pandemic period. These reductions take the form of rental waivers and deferrals of up to 100% of the amount of rent ordinarily payable. The reductions are based on the tenant's trade during the period. Rental waivers must constitute no less than 50% of the total reduction in rent payable with the other 50% in the form of rental deferrals. \$248,000 in rental abatements have been made available to tenants by the Fund with \$132,000 in rental deferrals being offered during the period.

The Code also provides that Landlords where appropriate waive recovery of any other expense by a tenant while the tenant is unable to trade. A total of \$19,800 has been waived from tenants recurring service charges.

For tenants that are not covered by the Mandatory Code of Conduct, the Fund has assessed the tenants on an individual basis.

Rental income and expenses risk

Distributions made by the Fund are largely dependent on the rents received from tenants across the Portfolio and expenses incurred during operations, which may be affected by a number of factors, including overall economic conditions and property market conditions.

Property valuation risk

The value of each Property held by the Fund may fluctuate due to a number of factors affecting both the property market generally or the Fund's Properties in particular. A reduction in the value of any Property may adversely affect the value of Securities.

Re-leasing and vacancy risk

The Portfolio's leases will come up for renewal on a periodic basis. There is a risk that the Fund may not be able to negotiate suitable lease renewals. This may result in periods of vacancy, a reduction in the Fund's profits and Distributions and a reduction in the value of the assets of the Fund.

Property illiquidity

By their nature, investments in real property assets are illiquid investments. There is a risk that should the Fund be required to realise Property assets, it may not be able to do so in a short period of time, or may not be able to realise a Property asset for the amount at which it has been valued. This may adversely affect the Funds NTA and the value of Securities.

Competition

The Fund will face competition from other property groups active in Australia. Such competition could lead to loss of tenants to competitors, an inability to secure new tenants resulting from oversupply of commercial space and an inability to secure maximum rents due to increased competition.

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.

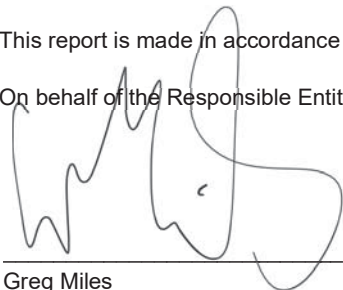
**RAM Australia Retail Property Fund
Directors' report
31 December 2021**

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 immediately after this directors' report.

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

On behalf of the Responsible Entity



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

22 February 2022
Sydney

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 2021, 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.



PKF



MARTIN MATTHEWS
PARTNER

22 FEBRUARY 2022
NEWCASTLE, NSW

RAM Australia Retail Property Fund
Contents
31 December 2021

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RAM Australia Retail Property Fund
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	Consolidated	
		31 Dec 2021	31 Dec 2020
		\$'000	\$'000
Revenue			
Other income		23	99
Interest revenue		19	1
Rent from investment properties	3	14,347	13,336
Unrealised gains on revaluation of property		19,916	3,471
Unrealised gains on financial derivatives		217	-
Total revenue		<u>34,522</u>	<u>16,907</u>
Expenses			
Auditor's remuneration	4	(41)	(45)
Investment property expenses		(3,511)	(2,993)
Other expenses		(215)	(141)
Depreciation and amortisation expense		(1,544)	(955)
Transaction costs		(520)	-
Responsible entity fees		(2,111)	(3,681)
Property manager fees		(765)	(617)
Finance expenses relating to interest-bearing liabilities		(2,707)	(1,872)
Total expenses		<u>(11,414)</u>	<u>(10,304)</u>
Profit for the half-year attributable to the security holders of RAM Australia Retail Property Fund	14	23,108	6,603
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year attributable to the security holders of RAM Australia Retail Property Fund		<u><u>23,108</u></u>	<u><u>6,603</u></u>

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 2021

	Note	Consolidated	
		31 Dec 2021	30 Jun 2021
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		28,497	6,563
Trade and other receivables	5	1,355	4,511
Financial assets at fair value through profit or loss		-	864
Other current assets		1,102	2,099
		<u>30,954</u>	<u>14,037</u>
Non-current asset held for sale	6	19,267	-
Total current assets		<u>50,221</u>	<u>14,037</u>
Non-current assets			
Derivative financial instruments	7	217	-
Investment properties	8	399,038	384,287
Intangibles		3,808	3,808
Other non-current assets		2,279	2,173
Total non-current assets		<u>405,342</u>	<u>390,268</u>
Total assets		<u>455,563</u>	<u>404,305</u>
Liabilities			
Current liabilities			
Trade and other payables	9	9,309	14,471
Interest bearing loans and borrowings	10	13,100	171,757
Total current liabilities		<u>22,409</u>	<u>186,228</u>
Non-current liabilities			
Other payables	11	52,743	62
Interest bearing loans and borrowings	12	113,177	-
Total non-current liabilities		<u>165,920</u>	<u>62</u>
Total liabilities		<u>188,329</u>	<u>186,290</u>
Net assets		<u>267,234</u>	<u>218,015</u>
Security holder's Funds			
Issued securities	13	246,733	214,424
Undistributed profits	14	20,501	3,591
Total security holder's funds		<u>267,234</u>	<u>218,015</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 2021

Consolidated	Securities on issue \$'000	Undistributed profits \$'000	Total security holder's funds \$'000
Balance at 1 July 2020	188,766	3,609	192,375
Profit for the half-year	-	6,603	6,603
Other comprehensive income for the half-year	-	-	-
Total comprehensive income for the half-year	-	6,603	6,603
<i>Transactions with security holders in their capacity as security holders:</i>			
Contributions of equity, net of transaction costs	8,361	-	8,361
Distributions paid (note 15)	-	(5,581)	(5,581)
Balance at 31 December 2020	<u>197,127</u>	<u>4,631</u>	<u>201,758</u>
Consolidated	Securities on issue \$'000	Undistributed profits \$'000	Total security holder's funds \$'000
Balance at 1 July 2021	214,424	3,591	218,015
Profit for the half-year	-	23,108	23,108
Other comprehensive income for the half-year	-	-	-
Total comprehensive income for the half-year	-	23,108	23,108
<i>Transactions with security holders in their capacity as security holders:</i>			
Contributions of equity, net of transaction costs (note 13)	32,309	-	32,309
Distributions paid (note 15)	-	(6,198)	(6,198)
Balance at 31 December 2021	<u>246,733</u>	<u>20,501</u>	<u>267,234</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 2021

		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		16,671	15,873
Payments to suppliers (inclusive of GST)		(10,839)	(8,414)
Dividends received		18	5
Interest received		1	1
Interest and other finance costs paid		<u>(1,687)</u>	<u>(1,872)</u>
Net cash from operating activities	21	<u>4,164</u>	<u>5,593</u>
Cash flows from investing activities			
Proceeds from sale of financial assets		886	-
Payments for investment property	8	<u>(15,646)</u>	<u>(3,236)</u>
Net cash used in investing activities		<u>(14,760)</u>	<u>(3,236)</u>
Cash flows from financing activities			
Net proceeds from issue of securities	13	194,474	8,733
Payment for investment properties relating to RAMPF		(109,763)	-
Proceeds from borrowings		-	150
Security issue transaction costs		(520)	-
Distributions paid		(5,333)	(5,575)
Repayment of borrowings		<u>(46,328)</u>	<u>-</u>
Net cash from financing activities		<u>32,530</u>	<u>3,308</u>
Net increase in cash and cash equivalents		21,934	5,665
Cash and cash equivalents at the beginning of the financial half-year		<u>6,563</u>	<u>9,175</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>28,497</u></u>	<u><u>14,840</u></u>

Proceeds from the issue of securities represents the cash flow for RARPF and RAMPF as RARPF was the recipient of the listing issued securities funds.

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
31 December 2021

Note 1. 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.

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

A description of the nature of the Fund's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 February 2022.

Note 2. Summary of significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Fund. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 2. Summary of significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

If the capitalisation rate expanded by 25 basis points, fair value would reduce by \$17.3 million from the fair value as at 31 December 2021 & and if capitalisation rate compressed by 25 basis points, fair value would increase by \$18.8 million from the fair value as at 31 December 2021.

Segment Reporting

The Fund operates in one 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. The Fund has determined its one operating segment based on the internal information that is provided to the chief operating decision maker and which is used in making strategic decisions. The Responsible Entity has been identified as the Fund's chief operating decision maker.

Note 3. Other Revenue

Disaggregation of revenue

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

	Consolidated 31 Dec 2021 \$'000	Consolidated 31 Dec 2020 \$'000
Rental income	12,667	11,738
Recoverable income	1,574	1,452
Straight-line of rental revenue	106	146
	<u>14,347</u>	<u>13,336</u>

Note 4. Auditor's remuneration

	Consolidated	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Auditor's Remuneration	<u>41</u>	<u>45</u>

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Trade debtors	1,041	1,034
Less: Allowance for expected credit losses	(75)	(47)
	<u>966</u>	<u>987</u>
Other receivables	389	3,184
Goods and service tax receivable	-	340
	<u>389</u>	<u>3,524</u>
	<u>1,355</u>	<u>4,511</u>

Allowance for expected credit losses

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

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	%	%	\$'000	\$'000	\$'000	\$'000
Not overdue	-	-	682	3,574	-	-
0 to 3 months overdue	-	-	366	361	-	-
3 to 6 months overdue	13.0%	14.0%	338	153	44	21
Over 6 months overdue	70.0%	5.5%	44	470	31	26
			<u>1,430</u>	<u>4,558</u>	<u>75</u>	<u>47</u>

Note 6. Current assets - non-current asset held for sale

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Gunnedah Shopping Centre, Gunnedah NSW	<u>19,267</u>	<u>-</u>

On 22 February 2022, the Directors exchanged contracts for the divestment of the Gunnedah Shopping Centre.

Note 7. Non-current assets - derivative financial instruments

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Interest rate swap contracts - cash flow hedges	<u>217</u>	<u>-</u>

Refer to note 16 for further information on fair value measurement.

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 8. Non-current assets - Investment properties

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Ballina Central Shopping Centre, Ballina NSW	48,100	44,737
Yeronga Village Shopping Centre, Yeronga QLD	24,000	22,585
Broadway Plaza, Punchbowl NSW	56,250	52,514
Mowbray Market Place, Mowbray TAS	44,181	44,145
Springfield Fair, Springfield QLD	39,000	35,930
The Hub Westlake, Westlake QLD	10,802	10,550
Windaroo Village, Windaroo QLD	11,167	7,180
Coomera Square, Coomera QLD	77,500	73,519
The North Lakes Centre, North Lakes QLD	7,819	8,003
Keppel Bay Plaza, Yeppoon QLD	34,319	28,606
Gunnedah Shopping Centre, Gunnedah NSW	-	15,312
Rutherford Shopping Centre, Rutherford NSW	23,100	21,207
Tanilba Bay Shopping Centre, Tanilba Bay NSW	22,800	19,999
	<u>399,038</u>	<u>384,287</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:

Opening fair value	384,287	337,160
Capital expenditure	15,646	19,077
Classified as held for sale (note 6)	(19,267)	-
Acquisitions	-	31,258
Revaluation increase	19,916	1,553
Depreciation and amortisation expense	(1,544)	(4,761)
	<u>399,038</u>	<u>384,287</u>

Lessor commitments

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Minimum lease commitments receivable but not recognised in the financial statements:		
1 year or less	29,718	28,787
Between 1 and 2 years	27,581	26,203
Between 2 and 3 years	23,768	23,124
3 years or more	102,282	97,617
	<u>183,349</u>	<u>175,731</u>

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 9. Current liabilities - Trade and other payables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Trade payables	1,483	711
Accrued expenses	1,519	10,141
Fees payable to related parties	1,674	-
Revenue received in advance	1,099	993
Bonds held	158	114
Distributions payable	3,376	2,512
	<u>9,309</u>	<u>14,471</u>

Note 10. Current liabilities - Interest bearing loans and borrowings

On the 22nd of September 2021, the senior loan facility with the Westpac Banking Corporation for the Keppel Bay Plaza Shopping Centre was signed with an expiry date of 22 December 2021. This facility was then extended to 18 April 2022 .

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Loan Facility Drawn	13,100	172,199
Less Attributable transaction costs	-	(442)
	<u>13,100</u>	<u>171,757</u>

Note 11. Non-current liabilities - Other payables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Payable to RAM Australia Medical Property Fund	52,670	-
Bonds held	73	62
	<u>52,743</u>	<u>62</u>

Note 12. Non-current liabilities - Interest bearing loans and borrowings

On 24 September 2021, RAM Essential Services FinCo Pty Ltd (FinCo) entered into a Syndicated Debt Facility with the Commonwealth Bank of Australia. FinCo is jointly owned by RARPF and RAMPF and has been treated as a Joint Operation under Australian Accounting Standards. The Syndicated Debt Facility is for \$250m and for a term of 3 years. On 22 October 2021, the FinCo drew \$211.0m to refinance existing Commonwealth Debt Facilities and complete the acquisitions of 11 Medical Properties. A total of \$127.6m of the drawn debt has been allocated to the Fund.

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Bank loans	114,504	-
Less: Attributable transaction costs	(1,327)	-
	<u>113,177</u>	<u>-</u>

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 12. Non-current liabilities - Interest bearing loans and borrowings (continued)

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Bank loans	127,604	172,199
Less: Attributable transaction costs	<u>(1,327)</u>	<u>(442)</u>
	<u>126,277</u>	<u>171,757</u>

Note 13. Security holder's Funds - issued securities

	Consolidated			
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Securities	Securities	\$'000	\$'000
Ordinary class securities - fully paid	<u>260,542,046</u>	<u>215,833,655</u>	<u>246,733</u>	<u>214,424</u>

Movements in Class A Equity

Details	Date	Securities	\$'000
Balance	30 June 2021	215,833,655	214,424
Units issued	1 July 2021	162,454	164
Units issued	23 July 2021	24,376	25
Units issued	19 August 2021	15,581	16
Units issued	1 October 2021	174,765	177
Issue costs		-	(366)
Redemptions	20 October 2021	(211,451,081)	(213,291)
Securities issued	20 October 2021	255,782,296	251,706
Listing transaction costs		<u>-</u>	<u>(6,122)</u>
Balance	31 December 2021	<u>260,542,046</u>	<u>246,733</u>

On 20th October 2021 RAM Australia Retail Property Fund ("RARPF") combined with RAM Australia Medical Property Fund ("RAMPF") to create the RAM Essential Services Property Fund ("RESP") as a "stapled entity". Under the stapling arrangement, each stapled security was issued at a ratio of 1 for 1 between RARPF and RAMPF.

As part of the restructure, existing unit holders of RARPF were provided the option to redeem their units in the Fund or to equalise their existing units to the stapled securities of RESP.

This resulted in 211,451,081 units being redeemed, and 255,782,296 securities issued to form the stapled securities in RESP. All new capital raises of RESP were allocated on the ratio of 1 for 1 between RARPF and RAMPF resulting in 260,542,046 securities being on issue for RARPF.

Security buy-back

There is no current on-market security buy-back.

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 14. Security holder's Funds - undistributed profits

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Undistributed profits at the beginning of the financial half-year	3,591	5,499
Profit for the half-year	23,108	8,905
Distributions paid (note 15)	<u>(6,198)</u>	<u>(10,813)</u>
Undistributed profits at the end of the financial half-year	<u>20,501</u>	<u>3,591</u>

Note 15. Security holder's Funds - distributions

Quarter Ended	Distribution per security	Consolidated
		31 Dec 2021
		\$'000
Ordinary Class		
30-Sep-21	0.013	2,821
19-Oct-21	0.001	217
31-Dec-21	0.012	<u>3,160</u>
		<u>6,198</u>

Note 16. Fair value measurement

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

Consolidated - 31 Dec 2021	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Assets				
Investment properties	-	399,038	-	399,038
Investment property held for sale (note 6)	19,267	-	-	19,267
Financial Instruments - Cash flow hedge	217	-	-	217
Total assets	<u>19,484</u>	<u>399,038</u>	<u>-</u>	<u>418,522</u>

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial half-year.

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 16. Fair value measurement (continued)

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

Direct property assets are valued in accordance with 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 Responsible Entity, acting in good faith, after considering all relevant market-based information and circumstances.

Where the Responsible Entity believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent 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 best practice market methodologies including discounted cash flow, capitalisation and comparison methodologies.

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 17. Related parties

	Consolidated 31 Dec 2021 \$'000	Consolidated 31 Dec 2020 \$'000
RAM Asset Management Pty Ltd		
Investment management fees	1,204	980
Registry fees	25	25
Administration fees	133	-
	1,362	1,005
	1,362	1,005
	Consolidated 31 Dec 2021 \$'000	Consolidated 31 Dec 2020 \$'000
RAM Property Funds Management Limited		
Investment management fees	123	270
	123	270
	123	270
	Consolidated 31 Dec 2021 \$'000	Consolidated 31 Dec 2020 \$'000
RAM Australia Property Services Pty Limited		
Investment management fees	648	527
Performance fees	-	1,904
Accounting fees	148	288
Finance facilitation fees	388	85
Development management fees	777	25
Leasing fees	542	184
	2,503	3,013
	2,503	3,013
	Consolidated 31 Dec 2021 \$'000	Consolidated 31 Dec 2020 \$'000
Amounts payable to related parties		
The following balances are outstanding at the reporting date in relation to fees payable to related parties:		
Real Asset Management Pty Ltd	182	95
RAM Property Funds Management Limited	135	26
Real Australia Property Services Pty Ltd	1,343	2,786
	1,660	2,907
	1,660	2,907

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 18. Controlled entities

The following entities were controlled by the parent entity during the financial year:

Name	Ownership interest	
	31 Dec 2021 %	30 Jun 2021 %
RAM Australia Retail Property No. 1 Trust	100%	100%
RAM Australia Retail Property No. 2 Trust	100%	100%
RAM Australia Retail Property No. 3 Trust	100%	100%
RAM Australia Retail Property No. 4 Trust	100%	100%
RAM Australia Retail Property No. 5 Trust	100%	100%
RAM Australia Retail Property No. 6 Trust	100%	100%
RAM Australia Retail Property No. 7 Trust	100%	100%
RAM Australia Retail Property No. 8 Trust	100%	100%
RAM Australia Retail Property No. 9 Trust	100%	100%
RAM Australia Keppel Bay Plaza Trust	100%	100%
North Lakes Centre No. 1 Trust	100%	100%

Note 19. Interests in joint operations

RAM Australia Retail Property Fund (RARPF) holds a 50% interest in RAM Essential Services FinCo Pty Ltd (FinCo), a joint arrangement structured as a financing entity for RARPF and RAM Australia Medical Property Fund (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 2021 %	30 Jun 2021 %
RAM Essential Services FinCo Pty Ltd	Australia	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. Information relating to joint ventures that are material to the Fund are set out below:

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 19. Interests in joint operations (continued)

Summarised financial information

	31 Dec 2021 \$'000
<i>Summarised statement of financial position</i>	
Cash and cash equivalents	14
Other current assets	238
Current assets	114,504
Non-current assets	<u>217</u>
Total assets	<u>114,973</u>
Current financial liabilities (excluding trade and other payables and provisions)	(27)
Other current liabilities	(236)
Current liabilities	515
Non-current liabilities	<u>114,504</u>
Total liabilities	<u>114,756</u>
Net assets	<u><u>217</u></u>
<i>Summarised statement of profit or loss and other comprehensive income</i>	
Other revenue	<u>217</u>
Profit	217
Other comprehensive income	<u>-</u>
Total comprehensive income	<u><u>217</u></u>
<i>Reconciliation of the Fund's carrying amount</i>	
Opening carrying amount	-
Share of profit	<u>217</u>
Closing carrying amount	<u><u>217</u></u>

Note 20. Events after the reporting period

The sale of the Gunnedah Shopping Centre exchanged on the 22 February 2022 with a sale price of \$20,250,000 representing a capitalised rate of 5.3%. The asset has been classified as a non-current asset held for sale at the net proceeds after selling costs amount of \$19,267,000.

Since balance date, the COVID-19 pandemic has continued to evolve and may have an impact on specific areas of judgement required for preparing these financial statements.

The Fund has continued to re-evaluate the significant inputs used to drive property valuations and recoverability of tenant arrears on a regular basis.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

RAM Australia Retail Property Fund
Notes to the financial statements
31 December 2021

Note 21. Reconciliation of profit to net cash from operating activities

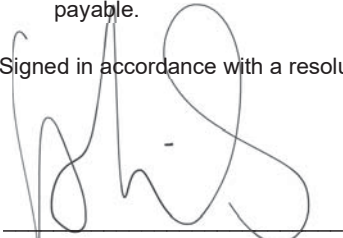
	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Profit for the half-year	23,108	6,603
Adjustments for:		
Depreciation and amortisation	1,544	955
Net fair value loss/(gain) on financial instruments	(240)	-
Net gain on revaluation of investment property	(19,916)	(3,577)
Other non cash items	-	(17)
Transaction costs	520	-
Change in operating assets and liabilities:		
Decrease in other non-current assets	(106)	(440)
Decrease in current receivables and other assets	4,154	1,125
Increase/(decrease) in trade and other payables	(4,955)	3,959
Decrease in other liabilities	55	(3,015)
Net cash from operating activities	<u>4,164</u>	<u>5,593</u>

**RAM Australia Retail Property Fund
Directors' declaration
31 December 2021**

In the opinion of the director's of the Responsible Entity:

- the financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the financial statements and notes give a true and fair view of the Fund's financial position as at 31 December 2021 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.



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

22 February 2022
Sydney

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 2021, 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 2021, 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 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 are responsible for overseeing the Fund's financial reporting process.

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

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under Professional Standards Legislation

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For our office locations visit www.pkf.com.au

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 company's financial position as at 31 December 2021 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.



PKF



MARTIN MATTHEWS
PARTNER

22 FEBRUARY 2022
NEWCASTLE, NSW

RAM Australia Medical Property Fund

ARSN 645 964 601

Interim Report - 31 December 2021

**RAM Australia Medical Property Fund
Directors' report
31 December 2021**

The Directors of RAM Property Funds Management Limited ("RAM", previously known as RAM Australia Funds Management Limited), 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 2021, the state of the consolidated entity's affairs as at 31 December 2021 and the Independent Auditor's Report thereon.

The Fund commenced on 28 August 2018 and RAM was appointed the Responsible Entity on 8 September 2021. Prior to this, Equity Trustees Limited was the Responsible Entity of the Fund. Equity Trustees Limited were appointed the Responsible Entity on 17 November 2020. Prior to this RAM was the Responsible Entity of the Fund from 2 January 2020. Prior to this Real Asset Management Pty Ltd was the Responsible Entity of the Fund since establishment.

Directors

The following persons held office as directors of Equity Trustees Limited who were the Responsible Entity of the Fund from 17 November 2020 to 8 September 2021:

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	

The following persons were directors of the Responsible Entity of RAM Australia Medical Property Fund during the whole of the reporting period and up to the date of this report, unless otherwise stated:

Name	Appointed	Retired	Position
Greg Miles	20 October 2021		Independent Non-Executive Charman
Marianne Perkovic	20 October 2021		Independent Non-Executive Director
Bryce Mitchelson	20 October 2021		Independent Non-Executive Director
Scott Wehl			Executive Director & CEO
Scott Kelly			Managing Director
Suzanne Hutchinson		20 October 2021	Director
Steven Pritchard		28 September 2021	Director

The company secretary of the Responsible Entity during or since the end of the half-year is:
Stewart Chandler (Appointed 1 September 2021)

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 Deed.

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

There has been no significant change in the activities of the Fund during the financial year.

RAM Australia Medical Property Fund
Directors' report
31 December 2021

Property portfolio

The investment portfolio as at 31 December 2021 consisted of 20 medical properties (30 June 2021: 6 medical properties) valued at \$318,586,000 (30 June 2021: \$135,070,000).

Acquisitions

5 July 2021 the Fund acquired 100% interest in the Willetts Health Precinct, located in Mount Pleasant QLD. The building comprises of three modern medical buildings including the Mackay Day Hospital, The Willetts Centre and the purpose-built Vision Eye Institute Mackay, as well as vacant land earmarked for future expansion with a purchase price of \$16,700,000.

21 July 2021 the Fund acquired 100% interest in the Banyans Health & Wellness Centre, located in Clear Mountain QLD. The building comprises of wellness and rehabilitation centre leased to Summit Consortium with a purchase price of \$8,320,000.

6 August 2021 the Fund acquired 100% interest in the Madeley Medical Centre, located in Madeley WA. The building comprises of single-level integrated health facility comprising a GP clinic, radiology, optometrist, pharmacy and other allied health services with a purchase price of \$9,743,000.

22 October 2021 the Fund acquired 100% interest in the Parkwood Family Practice, located in Parkwood QLD. The building comprises of medical centre leased to IPN Medical Centres with a purchase price of \$7,400,000.

22 October 2021 the Fund acquired 100% interest in the Highland Health Centre, located in Highland Park QLD. The building comprises of medical centre leased to IPN Medical Centres with a purchase price of \$8,500,000.

26 October 2021 the Fund acquired 100% interest in the Secret Harbour Medical Centre, located in Secret Harbour WA. The building comprises of two-level medical building leased to a variety of medical uses with a purchase price of \$7,550,000.

26 October 2021 the Fund acquired 100% interest in the Sunshine Day Hospital, located in Sunshine VIC. The building comprises of private hospital leased to Dr Gastroenterology with a purchase price of \$10,025,000.

27 October 2021 the Fund acquired 100% interest in the Gold Coast Surgery Centre, located in Gold Coast QLD. The building comprises of three-level medical centre anchored by RAD Radiology and Avanti Healthy Living Group with a purchase price of \$12,750,000.

28 October 2021 the Fund acquired 100% interest in the Mildura Medical Centre, located in Mildura VIC. The two-level medical building comprising 20 consulting rooms, two pathology rooms and a procedure room, along with meeting and administration areas with a purchase price of \$6,065,000.

1 November 2021 the Fund acquired 100% interest in North Ward Medical Centre, located in Townsville QLD. The building comprises of a freestanding purpose-built medical facility with two tenants. The asset is securely anchored by Avanti Healthy Living Group with a purchase price of \$12,400,000.

3 November 2021 the Fund acquired 100% interest in the Bowen Hills Day Surgery, located in Bowen Hills QLD. The building comprises of modern two-storey building leased to Life Fertility Clinic with a purchase price of \$20,500,000.

5 November 2021 the Fund acquired 100% interest in the Panaceum Medical Centre, located in Geraldton WA. The building comprises of single-level medical facility leased to Care Medical Group with a purchase price of \$13,100,000.

3 December 2021 the Fund acquired 100% interest in the Casuarina Medical Centre, located in Casuarina NT. The building comprises of integrated medical centre leased to a variety of medical uses with a purchase price of \$14,000,000.

3 December 2021 the Fund acquired 100% interest in the Rosebery Convenience and Medical Centre, located in Rosebery NT. The building comprises of modern medical centre anchored by a large GP provider, physiotherapy and dentist, as well as an essential-retail based convenience offering with a purchase price of \$8,400,000.

Disposals

No property disposals occurred during the period.

Review of operations

Results

The results of the operations of the Fund are disclosed in the consolidated interim statement of profit or loss and other comprehensive income of this interim financial report. The Fund's profit for the half-year ended 31 December 2021 was \$10,044,000 (31 December 2020: \$1,772,000).

The Fund's Net Tangible Assets ('NTA') is \$1.01 per security at 31 December 2021.

**RAM Australia Medical Property Fund
Directors' report
31 December 2021**

Investment property valuations

The total value of the Fund's portfolio as at 31 December was \$318,586,000 (30 June 2021: \$135,070,000).

The weighted average capitalisation rate for the portfolio is 5.34% as at 31 December 2021 (30 June 2021: 5.60%).

The COVID-19 pandemic continues to create uncertainty in the market which may impact property valuations. The Fund has engaged external valuations on 14 of the 20 properties across the portfolio.

Occupancy

As at 31 December 2021 the Fund's portfolio was 97.5% occupied with a WALE of 8.22 years.

Capital Management

As at 31 December 2021, the Stapled Group had a syndicated debt facility totalling \$250.0 million with a weighted average expiry in 2.75 years (30 June 2021: 1.0 years). Drawn borrowings totalled \$211.72m, of which \$97.2m was allocated to the Fund (30 June 2021: \$62.5 million) with an all in cost of funds for the period being 2.01% (FY21: 2.08%).

The Fund's gearing at 31 December 2021 was 25.2% (30 June 2021: 38.8%).

Distributions

Distributions paid or payable in respect of the half-year were:

	31/12/2021 Cents per security	31/12/2021 \$'000	31/12/2020 Cents per security	31/12/2020 \$'000
30 September	0.017	1,250	0.014	116
19 October	0.003	229	-	-
12 November	-	-	0.001	53
31 December	0.010	2,529	0.005	286
	<u>0.030</u>	<u>4,008</u>	<u>0.020</u>	<u>455</u>

Significant changes in the state of affairs

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

The two stapled entities remain separate legal entities in accordance with the Corporations Act 2001 and are each required to comply with the reporting and disclosure requirements of Accounting Standards and Corporations Act 2001.

**RAM Australia Medical Property Fund
Directors' report
31 December 2021**

Matters subsequent to the end of the financial half-year

On 22 February 2022 the Fund exchanged contracts to acquire 100% interest in Lakes Medical Centre, located in Perth WA for \$8.1m. The building comprises of a well-established medical centre comprised of two separate buildings located over two adjoining allotments with a combined land area of 2,208 square metres, constructed in 2017/18. Lakes Medical Centre is located in Perth's key southern growth corridor, approximately 20kms from the CBD and adjacent to the main southern precinct of Cockburn Central.

On 22 February 2022 the Fund exchanged contracts to acquire 100% interest in Cambridge Day Surgery, located in Perth WA for \$8.9m. The building comprises standalone 23-hour day surgery with 2 purpose built operating theatres, a minor procedures room and 3 double patient rooms which can accommodate 6 patients for overnight stays. The facility has 19 licensed beds and commenced operations in 2008. Located in the suburb of Wembley, within the Town of Cambridge approximately 3.7km north-west of the Perth CBD. The property is 100% occupied by Cambridge Day Surgery.

On 22 February 2022 the Fund exchanged contracts to acquire 100% interest in St John of God Day Surgery, located in Perth WA for \$27.0m. The building comprises a stand-alone 23-hour day surgery with 3 purpose built operating theatres and 4 double patient rooms which can accommodate 8 patients for overnight stays. The facility commenced operations in 2015 and is situated opposite St John of God Subiaco Hospital. The property is located in the suburb of Wembley, within the suburb of Wembley approximately 3.7km north-west of the Perth CBD.

Since balance date, the COVID-19 pandemic has continued to evolve and may have an impact on specific areas of judgement required for preparing these financial statements.

The Fund has continued to re-evaluate the significant inputs used to drive property valuations and recoverability of tenant arrears on a regular basis.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

RAM Australia Medical Property Fund
Directors' report
31 December 2021

Material business risks

There are a number of risks associated with investing in the Fund. Key risks specific to an investment in the Fund include:

Covid-19

Events relating to COVID-19 have had an adverse impact on the financial performance of the Fund. These impacts have included:

- trading restrictions imposed on some of our tenants
- the National Cabinet Mandatory Code of Conduct enacted in each state
- increases in operational expenses related to the COVID-19 pandemic

The National Cabinet Mandatory Code of Conduct requires the Fund to offer eligible tenants a proportionate reduction in rent payable during the COVID-19 pandemic period. These reductions take the form of rental waivers and deferrals of up to 100% of the amount of rent ordinarily payable.

The reductions are based on the tenant's trade during the period. Rental waivers must constitute no less than 50% of the total reduction in rent payable with the other 50% in the form of rental deferrals. A total of \$50,000 in rental abatements have been made available to tenants by the Fund with \$47,000 in rental deferrals being offered during the period.

The Code also provides that Landlords where appropriate waive recovery of any other expense by a tenant while the tenant is unable to trade. A total of \$4,000 has been waived from tenant's recurring service charges.

For tenants that are not covered by the Mandatory Code of Conduct, the Fund has assessed the tenants on an individual basis.

Rental income and expenses risk

Distributions made by the Fund are largely dependent on the rents received from tenants across the Portfolio and expenses incurred during operations, which may be affected by a number of factors, including overall economic conditions and property market conditions.

Property valuation risk

The value of each Property held by the Fund may fluctuate due to a number of factors affecting both the property market generally or the Fund's Properties in particular. A reduction in the value of any Property may adversely affect the value of Securities.

Re-leasing and vacancy risk

The Portfolio's leases will come up for renewal on a periodic basis. There is a risk that the Fund may not be able to negotiate suitable lease renewals. This may result in periods of vacancy, a reduction in the Fund's profits and Distributions and a reduction in the value of the assets of the Fund.

Property illiquidity

By their nature, investments in real property assets are illiquid investments. There is a risk that should the Fund be required to realise Property assets, it may not be able to do so in a short period of time, or may not be able to realise a Property asset for the amount at which it has been valued. This may adversely affect the Funds NTA and the value of Securities.

Competition

The Fund will face competition from other property groups active in Australia. Such competition could lead to loss of tenants to competitors, an inability to secure new tenants resulting from oversupply of commercial space and an inability to secure maximum rents due to increased competition.

Development risk

The Fund has identified a pipeline of value-add opportunities including future development of the Properties. The risks faced by the Fund in relation to existing or future development projects will depend on the terms of the transaction at the time. The Fund will seek to mitigate the risks associated with development projects by employing the following risk mitigation strategies:

- obtaining relevant statutory permits;
- obtaining leasing pre-commitments; and
- entering into appropriate building contracts with builders and other service providers.

Interest rate risk

The Fund will be exposed to fluctuations in interest rates which may reduce the Fund's profit and distributions. The Fund will enter into interest rate hedging contracts to mitigate this risk.

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.

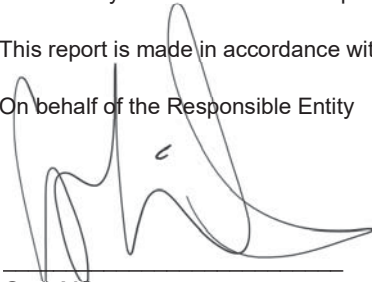
**RAM Australia Medical Property Fund
Directors' report
31 December 2021**

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 immediately after this Directors' report.

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

On behalf of the Responsible Entity



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

22 February 2022
Sydney

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 RAM Australian Medical Property Fund.

As lead audit partner for the review of the financial statements of RAM Australian Medical Property Fund for the half-year ended 31 December 2021, 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.



PKF



MARTIN MATTHEWS
PARTNER

22 FEBRUARY 2022
NEWCASTLE, NSW

RAM Australia Medical Property Fund
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31 December 2021

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RAM Australia Medical Property Fund
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	Consolidated	
		31 Dec 2021	31 Dec 2020
		\$'000	\$'000
Revenue			
Interest revenue		-	1
Rent from investment properties	3	7,359	1,116
Unrealised gains on revaluation of property		16,524	2,578
Unrealised gains on financial derivatives		217	-
Total revenue		<u>24,100</u>	<u>3,695</u>
Expenses			
Auditor's remuneration	4	(58)	-
Investment property expenses		(620)	(87)
Other expenses		(160)	(100)
Depreciation and amortisation expense		(61)	(23)
Transaction costs		(10,263)	-
Responsible entity fees		(1,004)	(1,489)
Property management fees		(431)	(23)
Finance expenses		(1,459)	(201)
Total expenses		<u>(14,056)</u>	<u>(1,923)</u>
Profit for the half-year attributable to the security holder of RAM Australia Medical Property Fund	13	10,044	1,772
Other comprehensive income for the half-year		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the security holder of RAM Australia Medical Property Fund		<u><u>10,044</u></u>	<u><u>1,772</u></u>

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 2021

	Note	Consolidated	
		31 Dec 2021 \$'000	30 Jun 2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	5	2,972	3,677
Trade and other receivables	6	2,211	222
Other current assets		629	15,646
Total current assets		<u>5,812</u>	<u>19,545</u>
Non-current assets			
Receivables	7	52,670	-
Derivative financial instruments	8	217	-
Investment properties	9	318,586	135,070
Other non-current assets		823	498
Total non-current assets		<u>372,296</u>	<u>135,568</u>
Total assets		<u>378,108</u>	<u>155,113</u>
Liabilities			
Current liabilities			
Trade and other payables	10	17,042	2,234
Total current liabilities		<u>17,042</u>	<u>2,234</u>
Non-current liabilities			
Other payables		630	118
Interest bearing loans and borrowings	11	96,106	62,200
Total non-current liabilities		<u>96,736</u>	<u>62,318</u>
Total liabilities		<u>113,778</u>	<u>64,552</u>
Net assets		<u>264,330</u>	<u>90,561</u>
Security holder funds			
Issued securities	12	255,363	87,630
Undistributed profits	13	8,967	2,931
Total security holder funds		<u>264,330</u>	<u>90,561</u>

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 2021

Consolidated	Issued securities \$'000	Undistributed profits \$'000	Total security holder funds \$'000
Balance at 1 July 2020	8,437	1,315	9,752
Profit for the half-year	-	1,772	1,772
Other comprehensive income for the half-year	-	-	-
Total comprehensive income for the half-year	-	1,772	1,772
<i>Transactions with security holder in their capacity as security holder:</i>			
Contributions of equity, net of transaction costs	55,672	-	55,672
Distributions paid (note 14)	-	(455)	(455)
Balance at 31 December 2020	<u>64,109</u>	<u>2,632</u>	<u>66,741</u>
Consolidated	Issued securities \$'000	Undistributed profits \$'000	Total security holder funds \$'000
Balance at 1 July 2021	87,630	2,931	90,561
Profit for the half-year	-	10,044	10,044
Other comprehensive income for the half-year	-	-	-
Total comprehensive income for the half-year	-	10,044	10,044
<i>Transactions with security holder in their capacity as security holder:</i>			
Contributions of equity, net of transaction costs (note 12)	167,733	-	167,733
Distributions paid (note 14)	-	(4,008)	(4,008)
Balance at 31 December 2021	<u>255,363</u>	<u>8,967</u>	<u>264,330</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 2021

	Note	Consolidated	
		31 Dec 2021 \$'000	31 Dec 2020 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,696	1,374
Payments to suppliers (inclusive of GST)		(2,676)	(1,882)
Interest received		-	1
Interest and other finance costs paid		(791)	(174)
Net cash from/(used in) operating activities	20	4,229	(681)
Cash flows from investing activities			
Payments for investment property	9	(7,248)	(101,703)
Net cash used in investing activities		(7,248)	(101,703)
Cash flows from financing activities			
Proceeds from issue of securities	12	5,804	55,672
Proceeds from borrowings		-	50,584
Distributions paid		(2,108)	(449)
Repayment of borrowings		(1,382)	-
Net cash from financing activities		2,314	105,807
Net increase/(decrease) in cash and cash equivalents		(705)	3,423
Cash and cash equivalents at the beginning of the financial half-year		3,677	1,550
Cash and cash equivalents at the end of the financial half-year		<u>2,972</u>	<u>4,973</u>

Refer to note 21 for non-cash activities in relation to the Fund's activities.

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
31 December 2021

Note 1. 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.

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

Registered office and principal place of business:

Suite 32.1
264 George Street
Sydney NSW 2000

A description of the nature of the Fund's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 February 2022.

Note 2. Summary of significant accounting policies

Basis of preparation

These condensed financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*.

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 the annual financial statements for the year ended 30 June 2021 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Fund. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

RAM Australia Medical Property Fund
Notes to the financial statements
31 December 2021

Note 2. Summary of significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

For Medical Properties, if the capitalisation rate expanded by 25 basis points, fair value would reduce by \$14.4 million from the fair value as at 31 December 2021 & if capitalisation rate compressed by 25 basis points, fair value would increase by \$15.9 million from the fair value as at 31 December 2021.

Excess of Current Liabilities over Current Assets

As at 31 December 2021, the Fund's current liabilities \$17,042,000 (30 June 2021: \$2,233,000) exceed its current assets \$5,812,000 (30 June 2021: \$19,545,000) by \$11,231,000 (30 June 2021: \$0).

The major contributor to this deficiency is the \$11,230,000 accrual for Capital Expenditure.

The Fund has an interfund balance with RARPF for \$52,670,000 which can be utilised to provide funding for this deficiency.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Segment Reporting

The Fund operates in one 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. The Fund has determined its one operating segment based on the internal information that is provided to the chief operating decision maker and which is used in making 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
31 December 2021

Note 3. Revenue

Disaggregation of revenue

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

	Consolidated 31 Dec 2021 \$'000	Consolidated 31 Dec 2020 \$'000
Rental income	6,308	956
Recoverable outgoings	739	40
Straight-line of rental revenue	312	120
	<u>7,359</u>	<u>1,116</u>

Note 4. Auditor's remuneration

	Consolidated 31 Dec 2021 \$'000	Consolidated 31 Dec 2020 \$'000
Auditor's remuneration	58	-
	<u>58</u>	<u>-</u>

Note 5. Current assets - cash and cash equivalents

	Consolidated 31 Dec 2021 \$'000	Consolidated 30 Jun 2021 \$'000
Cash at bank	2,894	2,499
Cash on deposit	78	1,178
	<u>2,972</u>	<u>3,677</u>

Note 6. Current assets - trade and other receivables

	Consolidated 31 Dec 2021 \$'000	Consolidated 30 Jun 2021 \$'000
Trade debtors	989	222
Less: Allowance for expected credit losses	(7)	-
	<u>982</u>	<u>222</u>
Other receivables	1,229	-
	<u>2,211</u>	<u>222</u>

RAM Australia Medical Property Fund
Notes to the financial statements
31 December 2021

Note 6. Current assets - trade and other receivables (continued)

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 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
Consolidated	%	%	\$'000	\$'000	\$'000	\$'000
Not overdue	-	-	1,789	186	-	-
0 to 3 months overdue	-	-	168	26	-	-
3 to 6 months overdue	-	-	-	-	-	-
Over 6 months overdue	2.6%	-	261	10	7	-
			2,218	222	7	-

Note 7. Non-current assets - receivables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Receivable from RAM Australia Retail Property Fund	52,670	-

Note 8. Non-current assets - derivative financial instruments

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Interest rate swap contracts - cash flow hedges	217	-

Refer to note 15 for further information on fair value measurement.

RAM Australia Medical Property Fund
Notes to the financial statements
31 December 2021

Note 9. Non-current assets - investment properties

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Highland Health Centre, Highland Park QLD	9,850	-
Miami Private Hospital, Miami QLD	20,200	17,237
Corrimal Private Health Centre, Corrimal NSW	6,128	6,103
Dubbo Private Hospital, Dubbo NSW	22,000	17,476
Mayo Private Hospital, Taree NSW	52,000	50,120
North West Private Hospital, Cooeee TAS	41,900	35,841
Swan Medical Centre, Midland WA	8,100	8,293
Madeley Medical Centre, Madeley WA	10,400	-
The Banyans Health & Wellness Centre, Clear Mountain QLD	8,850	-
Panaceum Medical Centre, Geraldton WA	13,700	-
Willetts Health Precinct, Mount Pleasant QLD	16,850	-
Parkwood Family Practice, Parkwood QLD	8,100	-
Mildura Medical Centre, Mildura VIC	6,065	-
Secret Harbour Medical Centre, Secret Harbour WA	7,550	-
Sunshine Day Hospital, Sunshine VIC	10,025	-
Casuarina Medical Precinct, Casuarina NT	14,600	-
Rosebery Convenience & Medical Centre, Rosebery NT	8,400	-
Bowen Hills Day Surgery, Bowen Hills QLD	20,668	-
North Ward Medical Centre, North Ward QLD	12,650	-
The Gold Coast Surgery Centre, Southport QLD	20,550	-
	<u>318,586</u>	<u>135,070</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:

Opening fair value	135,070	19,922
Additions	147,415	101,990
Capital expenditure	29,381	10,396
Revaluation increments	16,524	2,835
Depreciation and amortisation expense	(61)	(73)
Transaction Costs	(9,743)	-
	<u>318,586</u>	<u>135,070</u>

Lessors commitments

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Minimum lease commitments receivable but not recognised in the financial statements:		
1 year or less	19,442	8,277
Between 1 and 2 years	17,611	8,045
Between 2 and 3 years	16,101	7,843
Over 3 years	84,009	59,135
	<u>137,163</u>	<u>83,300</u>

RAM Australia Medical Property Fund
Notes to the financial statements
31 December 2021

Note 10. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Accrued expenses	12,265	518
Trade payables	577	851
Deferred income	722	43
Goods and service tax payable	-	(37)
Security deposits	99	-
Distribution payable	2,759	859
Fees payable to related parties	376	-
Other payables	244	-
	<u>17,042</u>	<u>2,234</u>

Note 11. Non-current liabilities - Interest bearing loans and borrowings

On 24 September 2021, RAM Essential Services FinCo Pty Ltd (FinCo) entered into a Syndicated Debt Facility with the Commonwealth Bank of Australia ("CBA"). FinCo is jointly owned by RAMPF and RARPF and has been treated as a Joint Operation under Australian Accounting Standards. The Syndicated Debt Facility is for \$250m and for a term of 3 years. On 22 October 2021, the FinCo drew \$211.0m to refinance existing CBA Debt Facilities and complete the acquisitions of 11 Medical Properties. A total of \$97.2m of the drawn debt has been allocated to the Fund.

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Loan facility drawn	97,224	62,477
Less: Attributable transaction costs	(1,118)	(277)
	<u>96,106</u>	<u>62,200</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Loan facility drawn	97,224	62,477
Less: Attributable transaction costs	(1,118)	(277)
	<u>96,106</u>	<u>62,200</u>

Note 12. Security holder funds - issued securities

	Consolidated			
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Securities	Securities	\$'000	\$'000
Ordinary class securities - fully paid	<u>260,542,046</u>	<u>71,483,075</u>	<u>255,363</u>	<u>87,630</u>

RAM Australia Medical Property Fund
Notes to the financial statements
31 December 2021

Note 12. Security holder funds - issued securities (continued)

Movements in unit capital

Details	Date	Securities	\$'000
Balance	30 June 2021	71,483,075	87,630
Units issued	1 July 2021	124,085	157
Units issued	2 July 2021	1,178,780	1,500
Units issued	4 August 2021	157,110	200
Units issued	9 August 2021	4,399,056	5,600
Units issued	19 August 2021	(1,174,994)	(1,496)
Units issued	1 October 2021	235,750	299
Redemptions	20 October 2021	(66,286,856)	(84,111)
Securities issued	20 October 2021	250,426,040	251,706
Transaction costs		-	(6,122)
Balance	31 December 2021	<u>260,542,046</u>	<u>255,363</u>

On 20th October 2021 RAM Australia Retail Property Fund ("RARPF") combined with RAM Australia Medical Property Fund ("RAMPF") to create the RAM Essential Services Property Fund ("RESP") as a "stapled entity". Under the stapling arrangement, each stapled security was issued at a ratio of 1 for 1 between RARPF and RAMPF.

As part of the restructure, existing unit holders of RAMPF were provided the option to redeem their units in the Fund or to equalise their existing units to the stapled securities of RESP.

This resulted in 66,286,856 units being redeemed, and 250,426,040 securities issued to form the stapled securities in RESP. All new capital raises of RESP were allocated on the ratio of 1 for 1 between RARPF and RAMPF resulting in 260,542,046 securities being on issue for RAMPF.

Note 13. Security holder funds - undistributed profits

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Undistributed profits at the beginning of the financial half-year	2,931	1,315
Profit for the half-year	10,044	3,883
Distributions paid (note 14)	(4,008)	(2,267)
Undistributed profits at the end of the financial half-year	<u>8,967</u>	<u>2,931</u>

Note 14. Security holder funds - distributions

Quarter Ended	Distribution per security	\$'000
30 September 2021	\$0.017	1,250
19 October 2021	\$0.003	229
31 December 2021	\$0.010	<u>2,529</u>
		<u>4,008</u>

RAM Australia Medical Property Fund
Notes to the financial statements
31 December 2021

Note 15. Fair value measurement

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

Consolidated - 31 Dec 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Investment properties	-	318,586	-	318,586
Financial instruments - Cash flow hedge	217	-	-	217
Total assets	217	318,586	-	318,803

There were no transfers between levels during the financial half-year.

Note 16. Related parties

Equity Trustees Limited was the Responsible Entity of the Fund for the period of 17 November 2020 to 8 September 2021. RAM Property Funds Management Limited became the Responsible Entity of the Fund on 8 September 2021 and remains the current appointed Responsible Entity.

	Consolidated 31 Dec 2021 \$'000	Consolidated 31 Dec 2020 \$'000
Real Asset Management Pty Ltd		
Investment management fees	542	809
Property acquisition fees	1,359	848
Administration fees	94	-
	<u>1,995</u>	<u>1,657</u>
	Consolidated 31 Dec 2021 \$'000	Consolidated 31 Dec 2020 \$'000
RAM Australia Property Services Pty Ltd		
Investment management fees	292	680
Property acquisition fees	917	566
Accounting fees	80	54
Finance facilitation fees	287	134
Development management fees	-	82
Leasing fees	566	220
	<u>2,142</u>	<u>1,736</u>
	Consolidated 31 Dec 2021 \$'000	Consolidated 31 Dec 2020 \$'000
Equity Trustees Limited		
Trustee fees	77	-
	<u>77</u>	<u>-</u>

RAM Australia Medical Property Fund
Notes to the financial statements
31 December 2021

Note 16. Related parties (continued)

	Consolidated	Consolidated
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Amounts payable to related parties at 31 December 2021:		
Real Asset Management Pty Ltd	110	68
RAM Property Funds Management Limited	114	-
RAM Australia Property Services Pty Ltd	121	3
Equity Trustees Limited	<u>85</u>	<u>-</u>
	<u>430</u>	<u>71</u>

RAM Australia Medical Property Fund
Notes to the financial statements
31 December 2021

Note 17. Controlled entities

The following entities were controlled by the parent entity during the financial year:

	Ownership Interest 31 Dec 2021 %	Ownership Interest 30 June 2021 %
RAM Australia Medical Property No. 1 Trust	100%	100%
RAM Australia Medical Property Mid Trust	100%	100%

The following entity were controlled by the RAM Australia Medical Property Mid Trust entity during the financial year:

	Ownership Interest 31 Dec 2021 %	Owner Interest 30 June 2021 %
RAM Australia Medical Property No. 2 Trust	100%	100%
RAM Australia Medical Property No. 3 Trust	100%	100%
RAM Australia Medical Property No. 4 Trust	100%	100%
RAM Australia Medical Property No. 5 Trust	100%	100%
RAM Australia Medical Property No. 6 Trust	100%	100%
RAM Australia Medical Property No. 7 Trust	100%	100%
RAM Australia Medical Property No. 8 Trust	100%	100%
RAM Australia Medical Property No. 9 Trust	100%	100%
RAM Australia Medical Property No. 10 Trust	100%	100%
RAM Australia Medical Property No. 11 Trust	100%	0%
RAM Australia Medical Property No. 12 Trust	100%	100%
RAM Australia Medical Property No. 13 Trust	100%	0%
RAM Australia Medical Property No. 14 Trust	100%	100%
RAM Australia Medical Property No. 15 Trust	100%	0%
RAM Australia Medical Property No. 16 Trust	100%	0%
RAM Australia Medical Property No. 17 Trust	100%	0%
RAM Australia Medical Property No. 18 Trust	100%	0%
RAM Australia Medical Property No. 19 Trust	100%	0%
RAM Australia Medical Property No. 20 Trust	100%	0%

Note 18. Interests in joint operations

RAM Australia Medical Property Fund (RAMPF) holds a 50% interest in RAM Essential Services FinCo Pty Ltd (FinCo), a joint arrangement structured as a financing entity for RAMPF and RAM Australia Retail Property Fund (RARPF). 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, RAMPF's interests 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 2021 %	30 Jun 2021 %
RAM Essential Services FinCo Pty Ltd	Australia	50.00%	-

RAM Australia Medical Property Fund
Notes to the financial statements
31 December 2021

Note 18. Interests in joint operations (continued)

RAMPF's share of the debt facility and associated assets are included in the consolidated financial statements as follows:

	31 Dec 2021 \$'000
<i>Summarised statement of financial position</i>	
Cash and cash equivalents	12
Other current assets	202
Current assets	97,220
Non-current assets	<u>217</u>
Total assets	<u>97,651</u>
Current financial liabilities (excluding trade and other payables and provisions)	(23)
Other current liabilities	237
Non-current liabilities	<u>97,220</u>
Total liabilities	<u>97,434</u>
Net assets	<u><u>217</u></u>
<i>Summarised statement of profit or loss and other comprehensive income</i>	
Other revenue	<u>217</u>
Profit	217
Other comprehensive income	<u>-</u>
Total comprehensive income	<u><u>217</u></u>
<i>Reconciliation of the Fund's carrying amount</i>	
Opening carrying amount	-
Share of profit	<u>217</u>
Closing carrying amount	<u><u>217</u></u>

Note 19. Events after the reporting period

On 22 February 2022 the Fund exchanged contracts to acquire 100% interest in Lakes Medical Centre, located in Perth WA for \$8.1m. The building comprises of a well-established medical centre comprised of two separate buildings located over two adjoining allotments with a combined land area of 2,208 square metres, constructed in 2017/18. Lakes Medical Centre is located in Perth's key southern growth corridor, approximately 20kms from the CBD and adjacent to the main southern precinct of Cockburn Central.

On 22 February 2022 the Fund exchanged contracts to acquire 100% interest in Cambridge Day Surgery, located in Perth WA for \$8.9m. The building comprises standalone 23-hour day surgery with 2 purpose built operating theatres, a minor procedures room and 3 double patient rooms which can accommodate 6 patients for overnight stays. The facility has 19 licensed beds and commenced operations in 2008. Located in the suburb of Wembley, within the Town of Cambridge approximately 3.7km north-west of the Perth CBD. The property is 100% occupied by Cambridge Day Surgery.

On 22 February 2022 the Fund exchanged contracts to acquire 100% interest in St John of God Day Surgery, located in Perth WA for \$27.0m. The building comprises a stand-alone 23-hour day surgery with 3 purpose built operating theatres and 4 double patient rooms which can accommodate 8 patients for overnight stays. The facility commenced operations in 2015 and is situated opposite St John of God Subiaco Hospital. The property is located in the suburb of Wembley, within the suburb of Wembley approximately 3.7km north-west of the Perth CBD.

RAM Australia Medical Property Fund
Notes to the financial statements
31 December 2021

Note 19. Events after the reporting period (continued)

Since balance date, the COVID-19 pandemic has continued to evolve and may have an impact on specific areas of judgement required for preparing these financial statements.

The Fund has continued to re-evaluate the significant inputs used to drive property valuations and recoverability of tenant arrears on a regular basis.

Note 20. Reconciliation of profit to net cash from/(used in) operating activities

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Profit for the half-year	10,044	1,772
Adjustments for:		
Depreciation and amortisation	61	23
IFRS rental income	(312)	(120)
Unrealised gains on revaluation of property	(16,524)	(2,578)
Net fair value gain on financial instruments	(217)	-
Transaction Costs	10,263	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(1,028)	133
Increase in other assets	(469)	(244)
Increase in trade and other payables	1,801	333
Increase in other operating liabilities	610	-
Net cash from/(used in) operating activities	<u>4,229</u>	<u>(681)</u>

Note 21. Non-cash investing and financing activities

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Acquisition of investment properties executed by RARPF	(109,763)	-
Acquisition of investment properties by means of debt	(34,743)	-
Securities issued in relation to stapling to RARPF	162,433	-
Loans from banks	34,743	-
Interfund balance relating to RARPF	(52,670)	-
	<u>-</u>	<u>-</u>

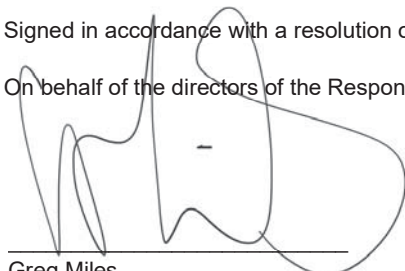
**RAM Australia Medical Property Fund
Directors' declaration
31 December 2021**

In the directors' opinion:

- the financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the financial statements and notes give a true and fair view of the Fund's financial position as at 31 December 2021 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.

On behalf of the directors of the Responsible Entity



Greg Miles
Independent Non-Executive Chairman



Marianne Perkovic
Independent Non-Executive Director

22 February 2022
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 2021, 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 2021, 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 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 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 2021 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.



PKF



MARTIN MATTHEWS
PARTNER

22 FEBRUARY 2022
NEWCASTLE, NSW