



Annual Report

For the period ended 30 June 2023

Raiz Property Fund, ARSN 659 208 152

Putting a roof over your future



Contents

Contents	2
Directors' Report	3
Auditor's Independence Declaration	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position.....	8
Statement of Changes in Equity.....	9
Statement of Cash Flows.....	10
Notes to the Financial Statements	11
Directors' Declaration.....	21
Independent Auditor's Report.....	22



Directors' Report

The Directors of Instreet Investment Limited, (the "Responsible Entity"), the Responsible Entity of Raiz Property Fund ("the Scheme") present their report together with the financial report of the Scheme, for the period 1 May 2022 to 30 June 2023 and the auditors' report thereon.

The Directors have elected to make the first financial year of Raiz Property Fund be 1 May 2022 to 30 June 2023 in accordance with s323D(1) of the Corporations Act 2001.

Directors

The names of the Directors of Instreet Investment Limited, who were in office at any time during or since the end of the period, are as follows:

Mr Brendan Barry Malone	Managing Director (Appointed on 26 September 2022)
Ms Kelly Humphreys	Director (Appointed on 9 May 2023)
Ms Philippa Taylor	Director (Appointed on 31 August 2023)
Mr George Lucas	Managing Director (Resigned on 26 September 2022)
Mr Harvey Hillary Kalman	Director (Resigned on 31 August 2023)
Mr Weiwei (Alex) Gao	Director (Resigned on 9 May 2023)

Information on current Directors

Director	Special Responsibilities	Experience
Mr Brendan Barry Malone	Managing Director (Appointed on 26 September 2022)	Over 20 years industry experience in financial, tax and business advisory. Brendan has extensive experience in investment banking, compliance, driving innovative strategies and working across various regulatory environments.
Ms Kelly Humphreys	Director (Appointed on 31 August 2023)	Kelly is an experienced non-executive director and serves on various boards across sectors including financial services, building regulation, health and education. Kelly is Chair of the Board and also Chairs the Risk and Technology Committee at Raiz Invest Limited. She has extensive experience in insurance and lending and a depth of technical expertise in operations, risk management and governance. She brings a strong commercial approach to complex regulatory environments and works effectively to help businesses deliver improved performance.
Ms Philippa Taylor	Director (Appointed on 31 August 2023)	Philippa Taylor is an experienced non-executive director with over two decades on boards, including as Chair of Remuneration & Nominations Committees in financial services, professional services, recreational services, humanitarian and community services. Philippa had an extensive executive career with over 30 years as a professional human resources expert and board advisor to ASX-listed, commercial, government and not-for-profit organisations in financial services, professional services, healthcare, tourism, recreation, arts, community services and retail.



Directors' Report (continued)

The offices of the Responsible Entity are located at Level 11, 2 Bulletin Place, Sydney, NSW 2000.

Principal Activities

Raiz Property Fund is an Australian-domiciled real estate investment fund. It is an open-ended scheme which allows investors, including customers with a Raiz Investment Account, to obtain an exposure to the Australian residential property.

Raiz Invest Limited (Raiz) owns 100% of Instreet Investment Limited (Instreet) and 100% of Raiz Invest Australia Limited and was listed on the Australian Securities Exchange (ASX) on 22 June 2018. Raiz Invest Australia Limited is the Investment Manager and responsible as the promotor and providing administration services to manage the investments of the Scheme. Instreet is the Responsible Entity and holder of the Australian Financial Services License of the Raiz group of companies (Group).

Each member of the Scheme retains a beneficial interest in, and absolute entitlement to, the assets of their portfolio. As the assets of each portfolio are separately maintained and identified, it follows that investors have no interest in the assets as a whole. Great care should therefore be taken in the interpretation of the financial report enclosed herewith, which consolidates the individual holdings, essentially to meet the requirements of the Corporations Act 2001.

Raiz Property Fund was launched through the Raiz app on 6 December 2022.

Scheme Information

Raiz Property Fund was established by execution of a Constitution and registration with the Australian Securities and Investments Commission on 1 May 2022.

Raiz promotes the Scheme via a micro investing product that offers an easy way to regularly invest either small or large amounts of money using the App on your mobile phone or the Website. The minimum investment amount is \$5.00. Investments are held beneficially for account holders (subject to any fractional interests, which are pooled).

Scheme Assets

As at 30 June 2023, Raiz Property Fund held assets to a total value of \$3,277,245.

Significant Changes in the State of Affairs

There were no changes to the investment strategy or to any fees or conditions for existing mandates.

Matters Subsequent to the End of the Financial Report

The Australian business released the Raiz Plus Product and also increased the fee for its members from 1 August 2023. Please refer to ASX announcements found on the company investor centre website.

Harvey Kalman has resigned as a director effective 31 August 2023 and Philippa Taylor has been appointed to the board on the same day.

No other events have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of the Raiz Property Fund, the results of those operations, or the state of affairs of the Raiz Property Fund in subsequent financial years.

Likely Developments and Expected Results of Operations

There are no developments that are likely to significantly affect the operation of the Scheme.



Directors' Report (continued)

Environmental Regulation and Performance

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

Indemnification and Insurance of Directors, Officers and Auditors

The Responsible Entity has indemnified directors and officers of the company, including members of the Compliance Committee, for a period up to seven years after they cease to be an officer, for any actions that may arise as a result of acting in their capacity as directors and officers of the company in respect of:

- a) Liability to third parties when acting in good faith; and
- b) Costs and expenses of defending legal proceedings and ancillary matters.

During the financial period, the Responsible Entity paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. No insurance premiums are paid out of the Scheme's assets in relation to insurance cover for the Responsible Entity, its officers and employees and the compliance committee.

The Scheme has not indemnified the auditor of the Scheme.

Independence

A copy of the Auditor's Independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 7.

Proceedings on behalf of the Scheme

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Scheme, or to intervene in any proceedings to which the Scheme is a party for the purpose of taking responsibility on behalf of the Scheme for all or part of those proceedings.

Signed in accordance with a resolution of the directors of Instreet Investment Limited.

A handwritten signature in black ink, appearing to read "B. Malone", written over a horizontal line.

Brendan Barry Malone

Managing Director

Sydney

25 September 2023

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF INSTREET INVESTMENT LIMITED

As lead auditor of Raiz Property Fund for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Tim Aman
Director

BDO Audit Pty Ltd

Sydney, 25 September 2022



Statement of Profit or Loss and Other Comprehensive Income

For the period 1 May 2022 to 30 June 2023

	Note	1 May 2022 to 30 June 2023 \$
Investment Income		
Interest income	4	18,964
Gain on investment		3,501
Other income		156
Total investment income		<u>22,621</u>
Expenses		
Management and administration expenses		1,646
Finance costs		151
Total operating expenses		<u>1,797</u>
Operating profit for the period		<u>20,824</u>
Profit for the period		20,824
Other comprehensive income		-
Total comprehensive income for year		<u><u>20,824</u></u>

This statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.



Statement of Financial Position

As at 30 June 2023

	Note	2023 \$
Assets		
Current assets		
Cash and cash equivalents	5	133,643
Receivables		101
Financial assets	6	3,143,501
Total current assets		<u>3,277,245</u>
Total assets		<u>3,277,245</u>
Liabilities		
Current liabilities		
Trade and other payables	7	12,205
Distribution payables	8	18,955
Total current liabilities		<u>31,160</u>
Net assets attributable to members - equity	10	<u>3,246,085</u>

This statement of financial position should be read in conjunction with the accompanying notes to the financial statements.



Statement of Changes in Equity

For the period 1 May 2022 to 30 June 2023

In accordance with AASB 132 'Financial Instruments: Presentation' 'net assets attributable to members' is classified as a liability rather than equity and hence no statement of changes in equity is presented.

Changes in net assets attributable to members are disclosed in Note 10.

This statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.



Statement of Cash Flows

For the period 1 May 2022 to 30 June 2023

	Note	1 May 2022 to 30 June 2023 \$
Cash flows from operating activities		
Interest income received		18,950
Finance cost paid		(151)
Net cash provided by operating activities		<u>18,799</u>
Cash flows from investing activities		
Financial assets acquired		(3,140,000)
Net cash used in investing activities		<u>(3,140,000)</u>
Cash flows from financing activities		
Net proceeds from applications by members		3,254,844
Net cash provided by financing activities		<u>3,254,844</u>
Net increase in cash and cash equivalents held		133,643
Cash and cash equivalents at beginning of period		-
Cash and cash equivalent at end of period	5	<u><u>133,643</u></u>

This statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.



Notes to the Financial Statements

For the period 1 May 2022 to 30 June 2023

1. Corporate Information

The financial report of Raiz Property Fund for the period 1 May 2022 to 31 June 2023 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 25 September 2023. The financial report is presented in the Australian currency. The Directors have the power to amend and reissue the financial report. Raiz Property Fund is an Australian Registered Scheme (ARSN 659 208 152) under the Corporations Act 2001, registered on 1 May 2022. The Scheme is a for profit entity. Instreet Investment Limited, Responsible Entity of the Scheme is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Level 11, 2 Bulletin Place, Sydney NSW 2000.

The Directors have elected to make the first financial year of Raiz Property Fund be 1 May 2022 to 30 June 2023 in accordance with s323D(1) of the Corporations Act 2001.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and the Constitution. Raiz Property Fund is a for profit unit trust for the purpose of preparing the financial statements.

Except where stated the financial report has been prepared on the basis of historical costs and does not take into account changing money values or current valuations of assets.

In accordance with the Corporations Act requirements, the investments, liabilities, income and expenses of the bare trusts have been aggregated for the purpose of producing this financial report.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and with International Financial Reporting Standards ("IFRS") and interpretations, as issued by the International Accounting Standards Board (IASB).

Use of estimates and judgements

The preparation of the financial statement is in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, revisions in accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Note 11 (a) Fair Values Estimation of financial instruments contains information about the estimation of the values of financial instruments.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2022 TO 30 JUNE 2023

(c) Financial Instruments

Classification, recognition/recognition and measurement

Financial Assets held at fair value through profit or loss.

Financial assets are measured at fair value. The fair values of quoted investments are based on current last traded prices.

Financial assets at fair value through profit or loss are held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit. Fair value movements are recognised in profit or loss.

Investments are classified as fair value through profit or loss and are valued at market value, based on the last available sale price in accordance with the provisions of the Constitution, unless otherwise stated.

Subsequent to initial recognition, all instruments are held at fair value through profit or loss and are measured at fair value with changes in their fair value recognised in the statement of profit or loss and other comprehensive income. Financial assets are recognised on trade date, which is the date that the entity commits itself to purchase or sell an asset.

Investments are derecognised when the right to receive cash flow from the investments have expired or the Scheme has transferred substantially all risk and rewards of ownership.

(d) Cash and cash equivalents

Cash in the statement of financial position comprises cash at bank. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

(e) Taxation

The Scheme is not a taxable entity. Each investor in the Scheme is the beneficial owner of investments within their portfolio and has responsibility for any taxable income relating to that portfolio as well as being entitled to any imputation or other credits applicable to investments held.

(f) Goods & Services Tax

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.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2022 TO 30 JUNE 2023

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.

(g) Expense Recognition

Responsible Entity Fee

The Responsible Entity charged responsible entity fees in accordance with the Constitution.

Investment Manager Fee

The Investment Manager has elected to waive the investment manager fee.

Custodian's Fees

The Custodian Fees are not paid by the Scheme. The Custodian Fees are paid for by Raiz Invest Australia Limited.

Audit and Compliance Fees

Audit and compliance fees are not paid by the Scheme. The Audit and Compliance Fees are paid for by Raiz Invest Australia Limited.

Other reimbursable expenses

The Responsible Entity and Custodian are entitled, under the Constitution, to be reimbursed for certain expenses properly incurred in the running of the scheme. The basis on which the expenses are reimbursable is defined in the Constitution. All expenses are recognised in the profit or loss on an accrual basis.

(h) Derivative financial instruments

Raiz Property Fund may not invest in financial derivatives.

(i) New or amended Accounting Standards and Interpretations adopted

The scheme 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.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MAY 2022 TO 30 JUNE 2023**

- (j) 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 scheme for the annual reporting year ended 30 June 2023. The scheme has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. Segment Information

The Scheme operates in one industry segment and one geographical segment being the provision of funds management services in Australia.

	2023 \$
4. Interest Income	
Interest income from deposits with licensed financial institutions	18,964
	<u>18,964</u>

Interest income is recognised on the accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

	2023 \$
5. Cash and Cash Equivalents	
Cash on hand	133,643
	<u>133,643</u>

	2023 \$
6. Financial assets	
Investments in Raiz Residential Property Fund	3,143,501
	<u>3,143,501</u>

	2023 \$
7. Trade and other payables	
Redemptions payables	10,628
Other payables and accruals	1,577
Total trade and other payables	<u>12,205</u>

	2023 \$
8. Distributions to Members	
The distributions for the period were as follows:	
Distribution payable	18,955
	<u>18,955</u>



NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MAY 2022 TO 30 JUNE 2023

9. **Related Party Information**
Responsible Entity

Instreet Investment Limited has been the Responsible Entity of the Scheme since 1 May 2022.

	2023
	\$
Responsible Entity's remuneration	
Responsible Entity fees	1,137
Related Party	
Amount owing to Instreet Investment Limited	- 1,137 -

Key Management Personnel (KMP)

The Scheme does not employ personnel in its own right. However it is required to have an incorporated Responsible Entity to manage its activities and the Directors of this entity are considered the KMP. The directors of the Responsible Entity Instreet Investment Limited are key management personnel of the responsible entity.

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

10. **Net assets attributable to members**

	2023
	\$
Opening balance	-
Applications	3,356,387
Redemptions	(101,543)
Distribution payables	(18,955)
Redemptions payables	(10,628)
Profit for the period	20,824
Closing balance as at 30 June	<u>3,246,085</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2022 TO 30 JUNE 2023

11. Fair value measurement

a) Fair Values Estimation

The carrying amounts of all the Scheme's financial assets and financial liabilities at the balance date approximated their fair values as all financial assets and liabilities not fair valued are short-term in nature.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss.

b) Fair Values Hierarchy

i) Classification of financial assets and financial liabilities

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follow:

- Level 1: Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The category includes instruments valued using quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant observable inputs. The category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observables' requires significant judgement by the Responsible Entity. The Responsible Entity considers observables data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2022 TO 30 JUNE 2023

12. Events Occurring after the Reporting Period

The Australian business released the Raiz Plus Product and also increased the fee for its members from 1 August 2023. Please refer to ASX announcements found on the company investor centre website.

Harvey Kalman has resigned as Non-Executive Director effective 31 August 2023 and Philippa Taylor has been appointed to the board on the same day.

No other significant events have arisen since the end of the reporting period that have significantly affected or may significantly affect the operations of Raiz Property Fund, the results of those operations, or the state of affairs of Raiz Property Fund in subsequent financial years.

13. Contingent assets and liabilities and commitments

There are no outstanding assets, liabilities or commitments as at 30 June 2023.

14. Financial Risk Management

a. Financial Risk Management Policies

The Scheme's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The Scheme's financial instruments consist mainly of deposits with banks, financial assets at fair value through the profit and loss, receivables, payables, and financial liabilities. The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's Product Disclosure Statement ("PDS") and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed. Financial risk management is carried out by the management team of the Responsible Entity under policies approved by the Board of Directors of the Responsible Entity (the Board). This involves monitoring the external investment managers compliance with the PDS for the Scheme.

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and ratings analysis for credit risk.

i. Market Risk

(a) Price Risk

Price risk exposure arises from the Scheme's investment in unlisted property securities held on the statement of financial position. The risk includes loss of some or all capital, the assets may provide less income in the future or they may provide none. The risk arises from investments held by the Scheme and classified on the statement of financial position at fair value through profit or loss. This risk is mitigated by compliance with the Scheme's PDS and risk management techniques including diversification, tracking error analysis and adherence to mandate rules across the various portfolios. However, the managers do not intend to reduce or eliminate market risk through the use of futures contracts or short selling. The Scheme is not exposed to commodity price risk. The impact mainly arises from the reasonably possible change in the fair value of quoted unlisted property securities unit price and the fact that concentration of investments is in the Australian residential property market.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 MAY 2022 TO 30 JUNE 2023

14. Financial Risk Management (continued)

(b) *Cash flow and fair value Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme's exposure to risk of changes in market interest rates relates primarily to the Scheme's cash and cash equivalents, which is subject to variable interest rates.

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

ii. Credit risk

The Scheme is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. This exposure may arise from cash and cash equivalents and other receivables.

All transactions in unlisted property securities are settled/paid for upon delivery using the Custodian. The risk of default is low, as delivery of securities sold is only made once the Custodian has received payment. No impairment was made at 30 June 2023.

(a) *Cash and cash equivalents*

There was not considered to be any significant credit risk associated with cash and cash equivalents as all amounts are represented by deposits with Australian ADIs or international equivalent institutions. The Scheme did not have any material credit risk exposure to any single receivable or group receivables under financial instruments entered in by the Scheme.

In accordance with the Compliance policies and Plan, the Responsible Entity monitors the Scheme's credit position daily and reports to the Board and the Compliance Committee regularly.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

iii. Liquidity risk

The Scheme manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash levels are maintained. The Scheme did not have any borrowings as at 30 June 2023.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MAY 2022 TO 30 JUNE 2023**

14. Financial Risk Management (continued)

iv. Fair Values Estimation

The carrying amounts of all the Scheme's financial assets and financial liabilities at the balance date approximated their fair values as all financial assets and liabilities not fair valued are short-term in nature.

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the balance date.

v. Fair Values Hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows: The scheme measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The category includes instruments valued using quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant observable inputs. The category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments are required to reflect differences between the instruments.

All balance sheet items are held at fair value and are measured at Level 2 in the fair value measurement hierarchy.

b. Sensitivity Analysis

Market Price Risk:

The Scheme has performed a sensitivity analysis relating to its exposure market price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and net assets distributed to members which could result from a change in the market risk.

Market Price Sensitivity Analysis:

At 30 June 2023, the effect on profit and net assets as a result of 5% increase or decrease in the market price of unlisted property securities, with all other variables remaining constant, would be \$157,175.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MAY 2022 TO 30 JUNE 2023

15. Capital Management

The Responsible Entity managed the net assets of the Scheme attributable to members as capital, notwithstanding net assets attributable to portfolio holders are classified as a liability, to ensure that the Scheme can fund its operations and continue as a going concern.

The Scheme's capital includes financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Scheme.

The Scheme had no debt, therefore the gearing ratio is nil at balance sheet date.



Directors' Declaration

For the period 1 May 2022 to 30 June 2023

The directors of Instreet Investment Limited, the Responsible Entity of Raiz Property Fund declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, and accompanying notes are in accordance with the Corporations Act 2001 and:
 - a. Comply with Australian Accounting Standard and the Corporations Regulations 2001; and
 - b. Give a true and fair view of the Scheme's financial position as at 30 June 2023 and of its performance for the period ending on that date.
2. The Scheme has included an explicit and unreserved statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements.
3. In the directors' opinion, there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of Instreet Investment Limited and is signed for and on behalf of the directors by:

A handwritten signature in black ink, appearing to read "B. Malone", is written over a horizontal line.

Brendan Barry Malone

Managing Director

Sydney

25 September 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Raiz Property Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Raiz Property Fund (the Scheme), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

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

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

Basis for opinion

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

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

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



Other information

The directors of the Responsible Entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors of the Responsible Entity for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Scheme'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 the directors either intend to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

Tim Aman
Director

Sydney, 25 September 2023

