Trilogy Funds

Trilogy Industrial Property Trust

Annual Financial Report
30 June 2024

ARSN 623 096 944

Issued by Trilogy Funds Management Limited
in its capacity as responsible entity

trilogyfunds.com.au

A Message from the Non-Executive Chairman

Welcome to the 2024 Trilogy Industrial Property Trust Annual Report.

Despite mixed economic conditions, the 2024 financial year was a year of growth for Trilogy Funds and the Trilogy Industrial Property Trust.

Over the financial year, the Trilogy Funds team grew by 12%. This necessitated a move to larger offices in both Brisbane and Melbourne. We were also pleased to establish an on-the-ground presence in Perth.

The Trilogy Funds headquarters remain at the iconic Gold Tower - 10 Eagle Street, Brisbane. However, during the financial year, our headquarters relocated from the southern half of level 23, to the entirety of level 26. Even more excitingly, during the financial year, our name and logo were unveiled on top of this iconic building, adding our brand to the Brisbane CBD skyline.

In a year that marked Trilogy's 25th anniversary, it seemed fitting to adorn one of Brisbane's most recognisable buildings with the name of a local mainstay, solidifying our presence and commitment to the city's rich history.

Trilogy's growth came amid mixed economic conditions in FY24. The days of the COVID-19 pandemic may be over, but economic ramifications continued to influence the mixed conditions seen across FY24. We also saw a changing of the guard at the Reserve Bank of Australia (RBA), with Philip Lowe's seven-year tenure as Governor coming to an end in September 2023 and former Deputy, Michelle Bullock, taking over .

The cash rate was 4.1% at the start of the financial year, rising 25 basis points to 4.35% at the 7 November 2023 RBA board meeting and holding firm for the remainder of the financial year. The rationale for the November rise was the persistence of inflation. This theme remained throughout the year, albeit with inflation having moderated substantially from its 2022 peak and continuing to lower incrementally.

While the economy remains mixed, the outlook for the industrial property sector in Australia remains promising, with a range of key tailwinds.

While the national vacancy rate increased, it ended the financial year at a modest 1.9%. A sub-2% vacancy rate is still indicative of an extraordinarily tight market, and the increase comes off the back of the historically low 0.6% national vacancy at the end of FY23. The 1.9% vacancy rate remains the lowest across the key industrial markets globally.

Furthermore, Australia's constrained supply of serviced industrial zoned land will hamper new supply coming online over the medium to long term, forcing the demand side to compete for existing stock.

Thank you for your continued support of Trilogy Funds and the Trilogy Industrial Property Trust. As we proceed into FY25 and beyond, we remain committed to seizing opportunities and helping you achieve your financial goals.

Yours sincerely,

Robert Willcocks

Independent Non-Executive Chairman
Trilogy Funds Management Limited

Trilogy Industrial Property Trust
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Directors' report
30 June 2024

The Directors of Trilogy Funds Management Limited (Responsible Entity), the Responsible Entity of the Trilogy Industrial Property Trust (Scheme), present their report together with the financial statements of the Scheme for the year ended 30 June 2024.

Responsible Entity
The Responsible Entity is incorporated and domiciled in Australia. The registered office and principal place of business of the Responsible Entity and the Scheme is Level 26, 10 Eagle Street, Brisbane, QLD, 4000.

Directors
The names of the Directors in office at any time during, or since the end of the period, are:

Name and qualifications	***Age***	***Experience and special responsibilities***
Robert M Willcocks Independent Non-Executive Chairman BA, LL.B, LL.M	75	Member of the Audit & Risk Committee Former partner with Mallesons Stephen Jaques (now King & Wood Mallesons) Mr Willcocks has been a non-executive director (sometimes Chairman) of a number of listed companies Chairman – Responsible Entity since 9 October 2009
Rodger I Bacon Non-Executive Deputy Chairman BCom(Merit), AICD, SFFin	78	Former Executive Director of Challenger International Limited Mr Bacon is a former director of several companies including, Financial Services Institute of Australasia Director – Responsible Entity until 30 June 2023 Non-Executive Director – Responsible Entity since 30 June 2023
John C Barry Executive Director BA, FCA	72	Chairman of the Audit & Risk Committee Former Executive Director of Challenger International Limited Mr Barry is a director of several companies, including former Chairman of Westpac RE Limited Director – Responsible Entity since 9 July 2004
Philip A Ryan Executive Director and Company Secretary LL.B, Grad Dip Leg Prac, FTIA, FFIN	63	Mr Ryan is a solicitor and member of the Queensland Law Society Inc. Former partner of a Brisbane law firm Mr Ryan is a director of several companies Director – Responsible Entity since 13 October 1997
Rohan C Butcher Non-Executive Director Grad Dip PM, BASc(QS), Registered Builder, Licensed Real Estate Agent	55	Member of the Lending Committee Consultant to several major companies providing development management services Director – Responsible Entity since 29 July 2008
Justin J Smart Executive Director and Company Secretary BCom, CPA	52	Member of the Audit & Risk Committee Mr Smart is a director of several private companies and has over 20 years' experience in the financial services industry Director – Responsible Entity from 1 January 2023 Company Secretary – Responsible Entity since 11 July 2013

Directors (continued)

Henry F Elgood Executive Director MAICD	28	Member of the Audit & Risk Committee, Compliance Committee Mr Elgood is a non-executive director of several private companies Director – Responsible Entity since 1 January 2023
Clinton B Arentz Executive Director MBA, SIA (Aff)	61	Chairman of the Workout Committee Head of Lending & Property Mr Arentz is a former director of Winston Development Services, and has over 25 years' experience in property development, asset management, project delivery, construction lending and property finance Director – Responsible Entity since 1 January 2023
Patrice A Sherrie Independent Non-Executive Director GAICD, FCA, B Bus	61	Member of the Audit & Risk Committee Patrice has over 35 years' experience in chartered accounting and commerce and is, and has been, a non executive director of listed and unlisted organisations across multiple industries Independent Non-Executive Director – Responsible Entity from 25 February 2024

Principal activities

The Scheme is domiciled in Australia. The principal activity of the Scheme during the period was to acquire direct property investments in industrial real estate and manage those investments subsequent to acquisition. The Scheme did not have any employees during the period.

Review of operations and results

Product Disclosure Statement (PDS) updates

On 11 September 2023, the Scheme issued a new PDS that, in addition to other general updates, established a secondary, limited withdrawal mechanism for investors (referred to in the PDS as an interim withdrawal offer), and lowered the minimum investment amount to $20,000 and implemented a distribution reinvestment facility.

Interim withdrawal offer

In February 2024, in line with the PDS, the Responsible Entity announced an interim withdrawal offer providing investors with the option to redeem part or all of their existing investment in the Scheme. All investors were eligible to participate in the interim withdrawal offer. The Responsible Entity provided for a withdrawal amount up to $3,000,000. Units redeemed through the offer were based on the unit price as at 1 March 2024, being $1.1273, less a 2.5% sell spread. The total number of units requested through the withdrawal offer was 3,571,619, equal to $4,026,286. As the total amount requested exceeded the $3,000,000 limit, redemptions were paid to investors at a pro-rated rate of 74.51% net of the 2.5% sell spread. Redemption and payment of the units was made on 18 March 2024.

Acquisition of 45-53 South Pine Road, Brendale QLD (Brendale)

The Scheme acquired a large storage and showroom property located in Brendale, QLD on 30 May 2024 for $29,000,000. The property is the second large-storage and showroom property held by the Scheme and is 100% leased with an approximate 7-year weighted average lease expiry (WALE). The acquisition was funded via a combination of equity raised from the issuance of units and a new debt facility established with Westpac Banking Corporation (WBC).

Review of operations and results (continued)

16 Galleghan Street, Hexham NSW (Hexham) leasing update
On 17 January 2024, a lease variation was entered into with Downer EDI Engineering Power Pty Ltd, a tenant of the Hexham property. The lease variation extended the lease term for an additional 5 years, expiring 16 January 2029. The variation includes an option to renew for a period of 1 x 5 years. In June 2024, the Scheme completed industrial upgrades and a dock upgrade on the site as part of the Bega Dairy and Drinks Pty Ltd lease extension which began on 1 December 2022. These capital works were completed for a total cost of $1,340,000.

113-117 Bedford St, Gillman SA (Gillman) leasing update
In March 2024, a lease renewal was entered into with Plasdene Glass-Pak Pty Ltd, a tenant of the Gillman property. The lease renewal extended the lease term, originally due to expire 30 June 2024, for an additional six years. The new lease will expire on 30 June 2030.

19-29 Bosso St, Paget QLD (Bosso) leasing update
In October 2023, a lease renewal was entered into with Komatsu Australia Pty Ltd, a tenant of the Bosso property. The lease renewal extended the lease term, originally due to expire 20 December 2023, for an additional five years. The new lease will expire on 20 December 2028, with an option to renew for a period of 1 x 5 years.

Investment property disposals
Sale of 11-21 Crichtons Road, Paget QLD (Crichtons Road)
In November 2023, the Responsible Entity completed the sale of Crichtons Road for $4,900,000. The sale price represented an uplift of $900,000 from the original purchase price of $4,000,000 when it was acquired by the Scheme in April 2018. $800,000 of consideration upon sale was received in units in ICAM Diversified Industrial Unit Fund. These units were subsequently fully redeemed in May 2024 for $800,000, the Scheme received quarterly distributions totalling $23,973 for the period the units were held.

Sale of 21-27 Carrington Road, Torrington QLD (Torrington)
On 29 February 2024, the Responsible Entity, on behalf of the Scheme, accepted an off-market offer for the sale of the Torrington property for $10,525,000. Settlement of the property occurred on 1 May 2024. $4,950,000 of the pre-existing $5,375,000 debt facility established with WBC was repaid.

Financial overview
The profit attributable to unitholders for the year totalled $5,254,538 (2023: $7,780,981). During the year, the Scheme's primary revenue stream was derived from rental income on investment properties. The gross rental revenue increased to $18,003,360 (2023: $16,280,989), predominantly due to the rent reviews and lease extensions for Komatsu Australia Pty Ltd (Bosso) and Plasdene Glass-Pak Pty Ltd (Gillman).

The total carrying value of the Scheme’s assets as at 30 June 2024 was $276,103,163 (2023: $251,728,152), comprised primarily of the investment properties acquired.

Review of operations and results (continued)

Distributions to unitholders

The return to unitholders of the Scheme for the period was as follows:	**2024**	2023
	$	$
Distributions paid during the period	**9,852,677**	8,622,721
Distributions payable at year end	**942,623**	853,459
	10,795,300	9,476,180
Cents per ordinary unit (CPU) (i)	**8.00**	7.77

(i) The Scheme pays a variable distribution rate to unitholders.

NAV per unit (unaudited non-IFRS disclosure)
The Scheme's NAV per unit as at 30 June 2024 is $1.11 (2023: $1.12). The NAV has been calculated in accordance with the Responsible Entity's Unit Pricing Policy.

	2024	2023
	$	$
Net assets	**139,418,588**	131,594,860
Adjustments for:		
Unamortised acquisition costs (i)	**11,112,239**	12,844,492
Adjustment to external valuations (ii)	**4,065,565**	(1,446,131)
Derivative financial instruments (i)	**(1,273,167)**	(1,647,971)
Adjusted net assets	**153,323,225**	141,345,250
Units on issue	**138,436,560**	126,471,393
NAV per unit	**$ 1.11**	$ 1.12

(i) It is the policy of the Responsible Entity to exclude derivative financial instruments, and amortise the costs associated with the acquisition and equity raising for the unit price. These costs are included in the fair value calculation of net assets of the Scheme for financial reporting purposes. The unit pricing policy adjusts for these costs and amortises the costs over a 5-year period as per the Scheme's Unit Pricing Policy in determining the unit price.

(ii) As the unit pricing policy is based on external valuations, the Directors' valuations have been reversed and replaced with the latest external valuations. When an external valuation is commissioned, it is the Scheme's policy to adopt the current market valuation for unit pricing purposes. Should the Responsible Entity seek to sell the investment properties and wind-up the Scheme, the net assets of the Scheme will be adjusted to account for estimated selling and disposal costs and performance fees (if applicable).

Indirect cost ratio (ICR)
The ICR for the Scheme for the period ended 30 June 2024 is 1.66% p.a. (2023: 4.59% p.a.). The initial costs incurred to acquire investment properties are included in the calculation of the ratio.

Units on issue
During the year 15,177,573 additional units were issued (2023: 17,271,952) and 2,661,226 were redeemed from the Scheme (2023: nil). The Scheme had 138,987,740 units on issue as at 30 June 2024 (2023: 126,471,393).

Interests of the Responsible Entity

The following transactions occurred between the Scheme and the Responsible Entity and its associates during the period (refer note 17(c)).

	2024	2023
	$	$
Expenses		
Management and administration fees	**57,035**	43,154
Professional fees	**60,004**	45,699
Registry fees	**25,411**	25,676
Responsible Entity management fees	**1,159,373**	987,050
Asset origination fees	**580,000**	902,800
Marketing and advertising	**146,016**	240,641
Performance fees	**47,839**	470,925
	2,075,678	2,715,945

Units held by the Responsible Entity

The Responsible Entity does not hold any units in the Scheme as at 30 June 2024 (2023: nil).

Significant changes in the state of affairs

In the opinion of the Responsible Entity there were no significant changes in the state of affairs of the Scheme that occurred during the year.

Events subsequent to the end of the reporting period

75-95 & 105 Corio Quay Road, North Geelong, VIC (Geelong)

In July 2024, the Scheme entered into a Heads of Agreement to acquire the Geelong property. The property consists of a 3.8 hectare site with a 21,310 squares metres of area across two buildings. The property is fully leased to UG Manufacturing Co Pty Ltd. The tenant trades as renowned Australian brand, Quiksilver Australia Pty Ltd, a global leader in the sport, outdoor and lifestyle apparel industry. The property has a WALE of 7-years, generates passing net income of $2.25m p.a. and includes fixed annual rental increases of 3%.

Investment in Trilogy Enhanced Income Fund (TEIF)

In July 2024, the Scheme invested $8,000,000 into TEIF. It is expected this will be a short-term investment, with the requirement for cash to fund the proposed acquisition of Geelong.

Potential sale of Gillman

In August 2024, the Responsible Entity agreed to a non-binding Offer to Purchase Letter and entered exclusive due diligence with a potential purchaser of the Gillman asset. The sale is conditional upon completion of due diligence by the purchaser.

Other than the items noted above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to affect significantly the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme, in future financial years.

Likely developments and expected results of operations
The Scheme will continue to pursue its principal activities in the next financial year in order to achieve the target return for unitholders.

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

Options
No options were:
(i) Granted over unissued units in the Scheme during or since the end of the period; or
(ii) Granted to the Responsible Entity.

No unissued units in the Scheme were under option as at the date on which this report is made. No units were issued in the Scheme during or since the end of the period as a result of the exercise of an option over unissued units in the Scheme.

Indemnification of officers

Indemnification
Under the Scheme constitution the Responsible Entity is required to indemnify all current and former officers of the Responsible Entity (but not including auditors) out of the property of the Responsible Entity against:

(a) any liability for costs and expenses which may be incurred by that person in defending civil or criminal proceedings in which judgement is given in that person's favour, or in which the person is acquitted, or in the connection with an application in relation to any such proceedings in which the court grants relief to the person under the Corporations Act 2001; and

(b) a liability incurred by the person, as an officer of the Responsible Entity or of a related body corporate, to another person (other than the Responsible Entity or a related body corporate) unless the liability arises out of conduct involving a lack of good faith.

Insurance premiums
During the period, the Responsible Entity paid an insurance premium in respect of a contract insuring each of the officers of the Responsible Entity. The amount of the premium is, under the terms of the insurance contract, confidential. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Responsible Entity or related body corporates. This insurance premium does not cover auditors. The Scheme has not indemnified any auditor of the Scheme.

Proceedings on behalf of the Responsible Entity
No person has applied for leave of Court to bring proceedings on behalf of the Responsible Entity in relation to Scheme, or intervene in any proceedings to which the Responsible Entity in relation to the Scheme is a party, for the purpose of taking responsibility on behalf of the Responsible Entity for all or any part of those proceedings. The Responsible Entity was not a party to any such proceedings during the period.

Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

This report is made in accordance with a resolution of the Directors of the Responsible Entity.

Philip A Ryan	Justin J Smart
Managing Director	Executive Director
26 September 2024	26 September 2024
Brisbane	Brisbane

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DECLARATION OF INDEPENDENCE BY T J KENDALL TO THE DIRECTORS OF TRILOGY FUNDS MANAGEMENT LIMITED AS RESPONSIBLE ENTITY OF TRILOGY INDUSTRIAL PROPERTY FUND

As lead auditor of Trilogy Industrial Property Fund for the year ended 30 June 2024, 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.

T J Kendall
Director

BDO Audit Pty Ltd

Brisbane, 26 September 2024

Trilogy Industrial Property Trust
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue and other income			
Rental revenue	9(c)	**18,003,360**	16,280,989
Recoverable outgoings	9(c)	**2,213,660**	1,970,715
Interest revenue from financial institutions		**311,903**	113,816
Investment income	10 & 17(d)	**23,973**	67,520
Net change in fair value of derivative financial instruments	13	**-**	417,789
Fair value gain on property investment	9(c)	**-**	516,049
Sell spread income		**75,000**	-
		20,627,897	19,366,878
Expenses			
Audit and compliance		**(79,280)**	(73,673)
Custodian fees	19	**(64,907)**	(59,527)
Direct property expenses and outgoings	9(c)	**(3,336,390)**	(3,091,649)
Management and administration costs		**(103,989)**	(126,088)
Professional fees		**(67,294)**	(95,485)
Registry fees	17(c)(i)	**(25,411)**	(25,676)
Responsible Entity management fees	17(c)(i)	**(1,159,373)**	(987,050)
Taxation fees		**(13,432)**	(5,959)
Net change in fair value of derivative financial instruments	13	**(374,804)**	-
Fair value loss on property investment	9(c)	**(2,683,652)**	-
Asset origination fees	17(c)(i)	**(580,000)**	(902,800)
Marketing and advertising	17(c)(i)	**(146,016)**	(269,934)
Valuation fees		**(47,000)**	(65,486)
Performance fees	17(c)(i)	**(47,839)**	(470,925)
		(8,729,387)	(6,174,252)
Profit for the period before finance costs		**11,898,510**	13,192,626
Finance costs:			
• Interest expense		**(6,541,305)**	(5,195,003)
• Amortisation of loan transaction costs		**(102,667)**	(216,642)
		(6,643,972)	(5,411,645)
Profit for the period attributable to unitholders		**5,254,538**	7,780,981
Other comprehensive income			
Other comprehensive income		**-**	-
Total comprehensive income for the period attributable to unitholders		**5,254,538**	7,780,981

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

Trilogy Industrial Property Trust
Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	6	**11,406,626**	2,141,775
Trade and other receivables	7	**723,370**	888,406
Assets held for sale	8	**-**	4,900,000
Total current assets		**12,129,996**	7,930,181
Non-current assets			
Derivative financial instruments	13	**1,273,167**	1,647,971
Investment property - at fair value	9(a)	**262,700,000**	242,150,000
Total non-current assets		**263,973,167**	243,797,971
Total assets		**276,103,163**	251,728,152
Liabilities			
Current liabilities			
Trade and other payables	11	**1,699,049**	1,295,172
Distributions payable	4	**942,623**	853,459
Borrowings	12	**76,735,000**	4,000,000
Total current liabilities		**79,376,672**	6,148,631
Non-current liabilities			
Borrowings	12	**57,307,903**	113,984,661
Total non-current liabilities		**57,307,903**	113,984,661
Total liabilities		**136,684,575**	120,133,292
Net assets		**139,418,588**	131,594,860
Equity			
Contributed equity	15	**146,356,927**	132,992,437
Accumulated losses		**(6,938,339)**	(1,397,577)
Total equity		**139,418,588**	131,594,860

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

Trilogy Industrial Property Trust
Statement of changes in equity
For the year ended 30 June 2024

	Note	Contributed equity $	Accumulated Profit/(losses) $	Total equity $
Balance at 1 July 2022		113,888,487	297,622	114,186,109
Comprehensive income:				
Profit for the period		-	7,780,981	7,780,981
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	7,780,981	7,780,981
Transactions with unitholders in their capacity as owners:				
Units issued for cash	15	19,103,950	-	19,103,950
Distributions paid/payable	4	-	(9,476,180)	(9,476,180)
Balance at 30 June 2023		132,992,437	(1,397,577)	131,594,860
Balance at 1 July 2023		**132,992,437**	**(1,397,577)**	**131,594,860**
Comprehensive income:				
Profit for the year		**-**	**5,254,538**	**5,254,538**
Other comprehensive income for the year		**-**	**-**	**-**
Total comprehensive income for the year		**-**	**5,254,538**	**5,254,538**
Transactions with unitholders in their capacity as owners:				
Units issued for cash	15	**16,364,490**	**-**	**16,364,490**
Units redeemed for cash	15	**(3,000,000)**	**-**	**(3,000,000)**
Distributions paid/payable	4	**-**	**(10,795,300)**	**(10,795,300)**
Balance at 30 June 2024		**146,356,927**	**(6,938,339)**	**139,418,588**

Trilogy Industrial Property Trust
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		**19,066,163**	17,335,683
Payments to suppliers		**(5,127,348)**	(6,555,911)
Proceeds from sell spread		**75,000**	-
Interest received		**335,876**	113,816
Interest paid		**(6,541,305)**	(5,194,946)
Net cash provided by operating activities	16	**7,808,386**	5,698,642
Cash flows from investing activities			
Acquisition of investment property	9(a)	**(30,920,531)**	(47,804,145)
Proceeds from sale of investment property	9(a)	**15,123,189**	-
Capital expenditure - property and equipment	9(a)	**(1,360,122)**	(998,559)
Investments/redemptions in managed investment schemes		**-**	6,300,000
Net cash used in investing activities		**(17,157,464)**	(42,502,704)
Cash flows from financing activities			
Proceeds from issue of ordinary units	15	**16,364,490**	19,103,950
Payments for redemption of units	15	**(3,000,000)**	-
Proceeds from borrowings		**21,000,000**	34,020,000
Repayment of borrowings		**(4,950,000)**	(6,000,000)
Payment of borrowing costs		**(94,426)**	(120,198)
Distributions paid to unitholders		**(10,706,136)**	(9,296,288)
Net cash provided by financing activities		**18,613,928**	37,707,464
Net increase in cash and cash equivalents		**9,264,851**	903,402
Cash at beginning of the reporting period		**2,141,775**	1,238,373
Cash and cash equivalents at end of the financial period	6	**11,406,626**	2,141,775

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

Note 1 Reporting entity

The Trilogy Industrial Property Trust (Scheme) is a registered managed investment scheme under the Corporations Act 2001. The financial statements of the Scheme are for the year 30 June 2024. The Scheme is a for-profit entity.

As stipulated under the Scheme's constitution, the Scheme is an open-ended unlisted unit trust that invests directly in real property for the purpose of deriving rental income.

The statement of financial position indicates that the Scheme has a working capital deficit (current assets less current liabilities) of \$67,246,676. This deficit is due to the classification of several of the Scheme's finance facilities with Westpac Banking Corporation (WBC) and Commonwealth Bank of Australia (CBA) as current liabilities. There are three facilities held with WBC totalling \$66,453,000 and one facility held with CBA totalling \$10,300,000 which are due to expire prior to 30 June 2025. The Responsible Entity is not aware of any indicators that would inhibit these facilities to be renewed upon expiry. Given there are no indicators, it is expected all facilities included in the current liabilities will be extended. The Responsible Entity believes it is appropriate for the financial report to be prepared on a going concern basis.

Note 2 Basis of preparation

(a) Statement of compliance
The financial statements are a general purpose financial report which has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements of the Scheme comply with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors of Trilogy Funds Management Limited (Responsible Entity) on 26 September 2024.

(b) Functional and presentation currency
These financial statements are presented in Australian dollars, which is the Scheme's functional currency.

(c) Key assumptions and sources of estimation
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised are disclosed in:

- Note 9: Investment property (fair value of investment property)
- Note 13: Derivative financial instruments
- Note 13: Fair value measurement
- Note : Financial risk management

Note 3 Material accounting policies

The Scheme adopted all new and amended Australian Accounting Standards and Interpretations effective 1 July 2023. The adoption of these new and amended Australian Accounting Standards and Interpretations did not have a material impact to the financial statements.

There are new and amended Australian Accounting Standards and Interpretations issued but not yet effective as at the year ended 30 June 2024. These new and amended Australian Accounting Standards and Interpretations will not have a material impact to the financial statements on adoption dates.

(a) Rental revenue
Rental revenue from operating leases is recognised on a straight-line basis over the lease term. When the Scheme provides lease incentives to tenants, the cost of the incentives are recognised over the lease term on a straight-line basis, as a reduction of property rental revenue.

(b) Interest income and expense
Interest income and expense is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method. Interest includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

(c) Expenses
All expenses, including management fees, are recognised in the statement of profit or loss and other comprehensive income on an accruals basis.

Note 3 Material accounting policies (continued)

(d) Taxation
Under current legislation the Scheme is not subject to income tax as its taxable income including assessable realised capital gains is distributed in full to the unitholders. The Scheme fully distributes its distributable income, calculated in accordance with the Scheme's constitution and applicable taxation legislation, to the unitholders who are presently entitled to the income under the constitution.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised that portion of the gain that is subject to capital gains tax will be distributed so that the Scheme is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Scheme to be offset against any future realised capital gains. If realised capital gains exceeds realised capital losses the excess is distributed to the unitholders.

(e) Unit prices
The unit price is based on the unit pricing policy outlined in the Scheme's constitution and Product Disclosure Statement (PDS).

(f) Distributions to unitholders
Distributions to unitholders on units issued are recognised in the statement of changes in equity as distributions paid/payable. Distributions unpaid at the end of the financial year are recognised in the statement of financial position as a financial liability. Distributions paid to unitholders are included in cash flows from financing activities in the statement of cash flows.

(g) Applications and redemptions
Applications received for units in the Scheme are recorded net of any entry fees payable prior to the issue of units in the Scheme. Redemptions from the Scheme are recorded gross of any exit fees payable after the cancellation of units redeemed.

The application and redemption prices are determined as the net asset value of the Scheme per the Constitution adjusted for the estimated transaction costs, divided by the number of units on issue on the date of the application or redemption.

(h) Terms and conditions of units on issue
Each unit confers upon the unitholder an equal interest in the Scheme and is of equal value. A unit does not confer an interest in any particular asset or investment of the Scheme. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their units redeemed;
- receive income and capital distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Scheme.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation* :

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Scheme's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Scheme, and it is not a contract settled in the Scheme's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

As the units in the Scheme meet the above criteria, the units are classified as equity in accordance with AASB 132 *Financial instruments: Presentation.*

The Responsible Entity has elected to adopt the Attribution Managed Investment Trust (AMIT) tax regime since inception.

(i) Increase/decrease in net assets attributable to unitholders
Income that has not been distributed to unitholders has been recognised in the statement of profit or loss and other comprehensive income in either the current or a previous period and attributed to unitholders.

Note 3 Material accounting policies (continued)

(j) Investment property

Investment property is initially measured at historical cost and includes transaction costs. Subsequent to the initial measurement, the investment properties are measured at fair value, with any change therein recognised in profit or loss.

Fair value is based upon active market prices, given the assets' highest and best use, adjusted if necessary, for any difference in the nature, location or condition of the relevant asset. If this information is not available, the Scheme uses alternative valuation methods such as discounted cash flow projections and/or the income capitalisation approach. The highest and best use of an investment property refers to the use of the investment property by market participants that would maximise the value of that investment property.

The carrying value of the investment property includes components relating to lease incentives and other items relating to the maintenance of, or increases in, lease rentals in future periods.

Lease incentives may be offered to lessees as an inducement to enter into non-cancellable operating leases. These incentives may take various forms including up-front cash payments, rent-free periods, rental abatements over the period or a contribution to certain lessee costs such as fitout costs or relocation costs. They are recognised as an asset in the statement of financial position as a component of the carrying amount of investment property and amortised over the lease period as a reduction of rental income.

The fair values of each property held by the scheme are assessed at the end of each reporting period by referencing independent valuation reports or through appropriate valuation techniques adopted by the Responsible Entity. The Scheme's valuation policy is that all assets are externally revalued within a 24-month cycle. For the half year and annual reports, external valuations that fall outside the reporting date will be substituted by Directors' valuations. Factors taken into account by the Directors of the Responsible Entity in valuing the investment properties include:

- Tenancy updates including new leases and renewal probability;
- Market leasing conditions in terms of rent, downtime and incentives;
- Market sale conditions including capitalisation rates and discount rates;
- The Responsible Entity's transaction database, which is populated as market evidence occurs;
- Evidence within valuations for comparable properties; and
- Evidence within market reports released by sale agencies including quarterly industrial market reports.

Gains and losses related to fair value movement are recorded in the statement of profit or loss and other comprehensive income in the year in which they arise. The building components of the investment properties are not depreciated for accounting purposes. The Scheme depreciates for taxation purposes which will provide investors with tax effective returns in the form of Tax-Deferred distributions.

(k) Borrowings

All borrowings are initially recognised at the fair value of the consideration received less any directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of borrowing facilities that are yield related are included as part of the carrying amount of the borrowings.

Borrowings are classified as current liabilities unless the Scheme has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and short-term highly liquid deposits with original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Note 3 Material accounting policies (continued)

(n) Trade and other receivables

Receivables are recorded at amortised cost less impairment and may include amounts for distributions and interest. Distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

(o) Goods and services tax

Rental income, management fees, custody fees and other expenses are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC).

Payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis.

(p) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Scheme during the reporting period, which remains unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(q) Impairment of non-financial assets

At the end of each reporting period, the Responsible Entity assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset to its carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Responsible Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(r) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at reporting date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

(s) Financial assets

Financial assets are initially recognised at fair value. Subsequent to initial recognition, financial assets are classified at fair value through profit or loss with changes in their fair value recognised in the profit or loss.

(t) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

Note 4 Distributions to unitholders

Distributions paid and payable by the Scheme for the period are:

	2024		2023	
	$	**Cents/unit**	$	Cents/unit
Distributions paid during the period	**9,852,677**	**7.32**	8,622,721	7.10
Distributions payable at period end	**942,623**	**0.68**	853,459	0.67
	10,795,300	**8.00**	9,476,180	7.77

(i) The Scheme pays a variable distribution rate to unitholders.

Note 5 Auditor's remuneration

During the period the following fees were paid or payable for services provided by the auditor of the Scheme, BDO Audit Pty Ltd:

	2024	2023
Audit and other assurance services	**$**	$
• Audit and review of the financial statements	**63,750**	64,500
• Audit of the compliance plan	**8,600**	8,000
Total remuneration for audit and other services	**72,350**	72,500

Note 6 Cash and cash equivalents

	2024	2023
	$	$
Cash at bank	**11,406,626**	2,141,775

Note 7 Trade and other receivables

	2024	2023
	$	$
Current assets		
Trade receivables	**214,925**	330,525
Other receivables	**508,445**	557,881
	723,370	888,406

(a) Impairment of receivables

The Scheme assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables the Scheme applies the simplified approach permitted by AASB 9*,* which requires expected lifetime losses to be recognised from initial recognition to the receivables. Management has determined that the assessment of expected credit loss associated with trade receivables is immaterial.

Note 8 Assets classified as held for sale

	2024	2023
Current assets	**$**	$
Investment property - held for sale	**-**	4,900,000
	-	4,900,000

Note 9 Investment property

(a) Investment property - at fair value

	2024	2023
	$	$
Investment property - non-current	**262,700,000**	242,150,000
	262,700,000	242,150,000

	2024	2023
At fair value	**$**	$
Balance at beginning of period	**242,150,000**	196,695,000
Acquisitions of investment property (i)	**30,920,531**	47,804,145
Sale of investment property	**(10,223,189)**	-
Additions	**1,360,122**	998,559
Fair value adjustment on investment property	**(2,683,652)**	516,049
Transferred to held for sale	**-**	(4,900,000)
Straight-line rent	**1,041,301**	902,133
Capitalised lease costs	**78,284**	-
Rental abatement	**56,603**	134,114
Balance at end of period	**262,700,000**	242,150,000

Note 9 Investment property (continued)

(a) Investment property - at fair value (continued)

	2024			
By investment property	**Independent Valuation**		**Carrying**	**Fair value**
Property address	**Date**	**Amount $**	**amount $ (ii)**	**adjustment $**
33-41 Diesel Dr, Paget QLD	**Dec-2023**	**13,750,000**	**13,750,000**	**741,957**
113-117 Bedford Street, Gillman SA	**Jun-2023**	**17,750,000**	**17,750,000**	**(80,310)**
11 Elysium Road, Carrara QLD	**Sep-2022**	**16,000,000**	**15,500,000**	**(581,575)**
9-17 Bosso Street, Paget QLD	**Dec-2023**	**1,050,000**	**1,050,000**	**150,000**
19-29 Bosso Street, Paget QLD	**Dec-2023**	**15,800,000**	**15,250,000**	**2,670,759**
37 Gravel Pit Road, Darra QLD	**Mar-2023**	**15,500,000**	**14,000,000**	**(1,493,867)**
118 Colemans Road, Carrum Downs VIC	**Jan-2023**	**13,200,000**	**12,500,000**	**(760,684)**
8-14 Moorebank Road, Wellcamp QLD	**Dec-2023**	**8,650,000**	**8,500,000**	**(731,683)**
15/17 25 Dacmar Road, Coolum Beach QLD	**Jan-2023**	**23,000,000**	**20,750,000**	**(2,429,443)**
16 Galleghan Street, Hexham NSW	**Jul-2021**	**29,500,000**	**35,000,000**	**3,610,855**
16-22 Magnesium Street, Narangba QLD	**Apr-2023**	**17,000,000**	**16,750,000**	**(337,046)**
6 Ron Parkinson Crescent, Corbould Park QLD	**Apr-2022**	**19,950,000**	**18,750,000**	**(623,175)**
12-14 Martin Drive, Tomago NSW	**Feb-2024**	**16,150,000**	**16,150,000**	**303,173**
660 Stuart Highway, Berrimah NT (iii)	**Jul-2022**	**29,000,000**	**28,000,000**	**(1,720,971)**
43-53 South Pine Road, Brendale QLD (i)(iii)	**Feb-2024**	**29,000,000**	**29,000,000**	**(1,943,212)**
		265,300,000	**262,700,000**	**(3,225,222)**

	2023			
By investment property	Independent Valuation		Carrying	Fair value
Property address	Date	Amount $	amount $ (ii)	adjustment $
33-41 Diesel Dr, Paget QLD	Dec-2022	12,850,000	12,850,000	148,393
11-21 Crichtons Rd, Paget QLD	-	-	-	390,160
113-117 Bedford Street, Gillman SA	Jun-2023	17,750,000	17,750,000	1,562,931
11 Elysium Road, Carrara QLD	Sep-2022	16,000,000	16,000,000	(24,718)
9-17 Bosso Street, Paget QLD	Dec-2022	900,000	900,000	25,000
19-29 Bosso Street, Paget QLD	Dec-2022	11,900,000	12,500,000	546,936
37 Gravel Pit Road, Darra QLD	Mar-2023	15,500,000	15,500,000	885,996
118 Colemans Road, Carrum Downs VIC	Jan-2023	13,200,000	13,200,000	799,249
8-14 Moorebank Road, Wellcamp QLD	Apr-2022	9,820,000	9,200,000	(661,064)
15/17 25 Dacmar Road, Coolum Beach QLD	Jan-2023	23,000,000	23,000,000	291,391
16 Galleghan Street, Hexham NSW	Jul-2021	28,000,000	30,000,000	1,971,455
16-22 Magnesium Street, Narangba QLD	Apr-2023	17,000,000	17,000,000	(84,483)
21-27 Carrington Road, Torrington QLD (iii)	Feb-2022	10,750,000	9,750,000	(1,052,270)
6 Ron Parkinson Crescent, Corbould Park QLD (iii)	Apr-2022	20,600,000	19,250,000	(1,506,462)
12-14 Martin Drive, Tomago NSW (iii)	Jun-2022	16,140,000	15,750,000	(1,379,676)
660 Stuart Highway, Berrimah NT (iii)	Jul-2022	29,000,000	29,500,000	(1,396,789)
		242,410,000	242,150,000	516,049

(i) During the period the Scheme acquired one additional property. The asset is located at 43-53 South Pine Road, Brendale, QLD and was purchased for $29,000,000 on 30 May 2024. Acquisition costs for the purchase of the property equals $1,920,530. The fair value adjustment of this includes the expensing of the acquisition fees.

(ii) The carrying amount of the investment properties is per the Directors' Valuation. At each reporting date, the Investment Committee reviews the valuations completed by independent qualified external valuers, to verify their currency. Where the Investment Committee believes that there may have been a change to the value of a property since the last external valuation, the Investment Committee will propose a review of the carrying amount of the property. The internal review uses the same valuation methodology and metrics as independent valuations. The valuations are then reviewed and approved by the Board. This amount is inclusive of straight-lining of rental income and rental abatements.

(iii) The independent valuation amount has been presented as the acquisition price.

The Scheme's assets are pledged as security to Westpac Banking Corporation (WBC) and Commonwealth Bank of Australia (CBA) under a registered first mortgage. Included in the balance of investment property are assets over which a first mortgage has been granted as security over bank loans. The terms of the first mortgage preclude the asset being sold or being used as security for further mortgages without the permission of the first mortgage holder. The mortgage also requires that the buildings that form part of the security are to be insured at all times.

Note 9 Investment property (continued)

(a) Investment property - at fair value (continued)

The investment properties are leased under long-term operating leases with rent payable monthly. Minimum lease payments receivable on lease of the investment property are as follows:

	2024	2023
	$	$
Not later than one year	**16,910,702**	15,592,931
Later than one year and not later than five years	**63,869,816**	49,969,041
Greater than five years	**26,828,644**	36,623,371
	107,609,162	102,185,343

All leases include a clause to enable upward revision of the rental charge on an annual basis either by the Consumer Price Index or a fixed percentage. Refer to Note 18 for further details of the Scheme's risk management strategy.

(b) Valuation process, techniques and key judgements

The investment property valuation process is conducted bi-annually at the end of each reporting period. Valuations are performed either by independent professionally qualified external valuers, or by the Responsible Entity's directors who have several years experience in property development, asset management, and property finance.

All investment properties are valued by an independent external valuer at least once every 24 months, or earlier, where the Responsible Entity deems it appropriate or it estimates there may be a material change in the carrying value of the property. Independent valuers are engaged on a rotational basis. External valuations were conducted during the year ending 30 June 2024 for 53% of the Scheme's investment properties (2023: 63%).

The Scheme's investment property is measured at fair value. Carrying values of all investment properties measured at fair value reflect the highest and best use value. The fair value of the Scheme's investment property is determined using methods that rely on inputs that are not readily observable market data (level 3). Such inputs are identified in the table below:

	2024	2023
Fair value	**262,700,000**	242,150,000
Net market rent	**18,076,582**	15,379,745
Adopted capitalisation rate	**5.00 - 7.75%**	5.25 - 7.75%
Adopted discount rate	**5.75 - 8.00%**	6.00 - 8.75%
Terminal yield	**5.25 - 8.25%**	5.00 - 8.50%

Below is a list of valuation terms and methodologies used in determining fair value of investment properties:

Term	*Definition*
Discounted cashflow method	A method in which a discount rate is applied to future expected income streams to estimate the present value.
Income capitalisation method	A valuation approach that provides an indication of value by converting future cash flows to a single current capital value.
Net market rent	A net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In a net rent lease, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).
Capitalisation rate	A percentage return applied to the expected net income following a hypothetical sale at the end of the cash flow period.
Terminal yield	The return represented by the income produced by an investment, expressed as a percentage.
Discount rate	A rate of return used to convert a future monetary sum or cash flow into present value.

Unless stated otherwise, the directors' valuation of current market value adopts the same spread between capitalisation rate and discount rate as the most recent external valuation. Movement in the inputs is likely to have an impact on the fair value of investment properties. An increase/(decrease) in net market rent, or adopted terminal yield will likely lead to an increase/(decrease) in fair value. A decrease/(increase) in the adopted capitalisation rate or adopted discount rate will likely lead to an increase/(decrease) in fair value.

Note 9 Investment property (continued)

(c) Amounts recognised in profit or loss for investment property

	2024	2023
	$	$
Rental revenue from investment property	**18,003,360**	16,280,989
Recoverable outgoings from investment property	**2,213,660**	1,970,715
Direct operating expense from investment property that generated rental income	**(3,336,390)**	(3,091,649)
Fair value gain/(loss) on property investment	**(2,683,652)**	516,049
	14,196,979	15,676,104

Note 10 Investments in unlisted property schemes

The Scheme's investment portfolio included units held in an unlisted property trust, ICAM Diversified Industrial Fund (ICAM). ICAM invests in a number of industrial investment properties. The units were acquired as part of the consideration for sale of the Crichtons Road asset and were held short-term. The Scheme received distributions from ICAM on a monthly basis until fully redeemed in May 2024.

	2024	2023
	$	$
Investment Income		
ICAM	**23,973**	-

Note 11 Trade and other payables

	2024	2023
	$	$
Current		
Trade payables	**243,769**	201,939
Rent received in advance	**-**	342,766
Other accruals	**1,241,836**	430,937
GST payable	**213,444**	319,530
	1,699,049	1,295,172

Note 12 Borrowings

	2024	2023
	$	$
Secured loans		
Loan facility - Current	**76,714,747**	4,000,000
Loan facility - Non-current	**57,328,156**	113,984,661
Total loan facility	**134,042,903**	117,984,661

The details of borrowings as at the reporting date are set out below:

			2024		2023	
Facility - Current	Secured	Maturity date	Facility limit $	Drawn balance $	Facility limit $	Drawn balance $
WBC loan facility (iv)	Yes	**14-Dec-23**	**-**	**-**	4,000,000	4,000,000
WBC loan facility (i)	Yes	**14-Oct-24**	**52,010,000**	**52,010,000**	-	-
WBC loan facility (i)	Yes	**14-Oct-24**	**14,000,000**	**14,000,000**	-	-
WBC loan facility (ii) (ix)	Yes	**14-Oct-24**	**425,000**	**425,000**	-	-
			66,435,000	**66,435,000**	4,000,000	4,000,000
CBA loan facility (vi)	Yes	**10-Jun-25**	**10,300,000**	**10,300,000**	-	-
			10,300,000	**10,300,000**	-	-
Unamortised transaction costs (x)				**(20,253)**		-
Total loan facility - current			**76,735,000**	**76,714,747**	4,000,000	4,000,000

Note 12 Borrowings (continued)

			2024		2023	
		Maturity	Facility limit	Drawn balance	Facility limit	Drawn balance
Facility - Non-current	Secured	date	$	$	$	$
WBC loan facility (i)	Yes	**14-Oct-24**	**-**	**-**	52,010,000	52,010,000
WBC loan facility (i)	Yes	**14-Oct-24**	**-**	**-**	14,000,000	14,000,000
WBC loan facility (ii)	Yes	**07-Apr-25**	**-**	**-**	5,375,000	5,375,000
WBC loan facility (iii)	Yes	**13-Sep-25**	**8,070,000**	**8,070,000**	8,070,000	8,070,000
WBC loan facility (viii)	Yes	**30-May-27**	**25,000,000**	**25,000,000**	-	-
			33,070,000	**33,070,000**	79,455,000	79,455,000
CBA loan facility (v)	Yes	**10-Dec-25**	**8,463,500**	**8,463,500**	8,463,500	8,463,500
CBA loan facility (vi)	Yes	**10-Jun-25**	**-**	**-**	10,300,000	10,300,000
CBA loan facility (vii)	Yes	**08-Dec-25**	**15,950,000**	**15,950,000**	15,950,000	15,950,000
			24,413,500	**24,413,500**	34,713,500	34,713,500
Unamortised transaction costs (x)				**(155,344)**		(183,839)
Total loan facility - non-current			**57,483,500**	**57,328,156**	114,168,500	113,984,661
Total borrowings			**134,218,500**	**134,042,903**	118,168,500	117,984,661

(i) On 14 October 2021, the Responsible Entity entered into two non-revolving cash advance facilities with the institutional branch of WBC. The terms consist of a three-year maturity term and three interest components, being a variable interest rate based on the BBSY, a fixed margin of 0.85% p.a. and a fixed line fee of 0.85% p.a. (payable quarterly).

(ii) In April 2022, a variation deed was executed to facilitate a third drawdown under the facility agreement to fund the Torrington settlement. The terms of this facility include a three-year maturity term and three interest components, being a variable interest rate based on the BBSY, a fixed margin of 0.80% p.a. and a fixed line fee of 0.80% p.a. (payable quarterly).

(iii) In September 2022, a second variation deed was executed to facilitate a fourth drawdown under the facility agreement to fund the Tomago settlement. The terms of this facility include a three-year maturity term and three interest components, being a variable interest rate based on the BBSY, a fixed margin of 0.78% p.a. and a fixed line fee of 0.78% p.a. (payable quarterly).

(iv) In December 2022, a third variation deed was executed to facilitate a fifth drawdown under the facility agreement to fund the Berrimah settlement. The terms of this facility include a one year maturity term, with twelve equal monthly principal repayments and three interest components, being a variable interest rate based on the BBSY, a fixed margin of 0.85% p.a. and a fixed line fee of 0.85% p.a. (payable monthly).

(v) To diversify the Scheme's debt providers, the Responsible Entity entered into a market rate loan facility agreement with CBA on 9 December 2021 to fund 50% of the Narangba acquisition. The terms consist of a 4-year maturity term and two interest components, being a variable interest rate based on the BBSY (payable quarterly) and a fixed line fee of 1.85% p.a. (payable monthly).

(vi) In June 2022, additional funds were drawn under the CBA agreement to fund 50% of the Corbould Park acquisition. The terms of this facility include a three-year maturity term and two components, being a variable interest rate based on the BBSY and a fixed line fee of 1.67% p.a. (payable monthly).

(vii) In December 2022, additional funds were drawn under the CBA agreement to fund 50% of the Berrimah acquisition. The terms of this facility include a three-year maturity term and two components, being a variable interest rate based on the BBSY and a fixed line fee of 1.69% p.a. (payable monthly).

(viii) In May 2024, a fourth variation deed was executed to facilitate the cancellation of the fifth drawdown as well as the faciliation of a new drawdown under the facility agreement to fund the Brendale settlement. The terms of this facility include a three-year maturity term and three interest components, being a variable interest rate based on the BBSY, a fixed margin of 0.775% p.a. and a fixed line fee of 0.775% p.a. (payable quarterly).

(ix) In May 2024, $4,950,000 was paid to WBC as a repayment of the third drawdown under the facility agreement as part of the sale of Torrington. A drawn amount of $425,000 still remains under this facility.

(x) Unamortised transaction costs comprise all costs in relation to the establishment, arrangement and documentation of the debt facility. Such costs have been offset against the balance of the debt facility and are being amortised over the term of the facility.

As the finance facilities have a variable interest rate, its carrying value is a reasonable estimate of its fair value.

Refer Note 9 for details of properties held as security for the facilities.

Compliance with loan covenants
The Scheme has complied with the financial covenants of its borrowing facility during the period. Refer to Note 18(c) for details on the financial covenants.

Note 13 Derivative financial instruments

The Responsible Entity manages the cash flow interest rate risk of the Scheme by ultilising interest rate hedge instruments to reduce volatility.

The Responsible Entity has entered into an interest rate swap agreement with WBC with a total face value of $33,000,000, equating to 33% of the drawn debt facility at the reporting date. The hedge consists of a two-year floating rate based on the BBSY, after which a two-year fixed rate of 2.04% p.a. will apply, expiring October 2025. The fair value of the WBC interest rate swap asset as at 30 June 2024 was $1,135,434, as determined using WBC's mark-to-market valuation methodology.

In December 2021, the Responsible Entity entered into an interest rate swap hedge with CBA hedging $4,231,750, equating to 12% of the drawn debt facility at the reporting date. The hedge consists of a two-year floating rate based on the BBSY, after which a two-year fixed rate of 2.19% p.a. will apply, expiring December 2025. The fair value of the CBA interest rate swap asset as at 30 June 2024 was $137,733, as determined using CBA's mark-to-market valuation methodology.

	2024	2023
Derivative asset	**$**	$
Interest rate swap - (WBC)	**1,135,434**	1,469,958
Interest rate swap - (CBA)	**137,733**	178,013
	1,273,167	1,647,971
Net increase/(decrease) in swap derivative asset	**(374,804)**	417,789

Note 14 Fair value measurement

The following table presents assets measured at fair value according to the fair value hierarchy:

	2024	2023
	$	$
Derivative asset		
Interest rate swap - level 2 (WBC)	**1,135,434**	1,469,958
Interest rate swap - level 2 (CBA)	**137,733**	178,013
	1,273,167	1,647,971
Non-financial asset		
Assets held for sale - level 3	**-**	4,900,000
Investment property - level 3	**262,700,000**	242,150,000
	262,700,000	247,050,000
Total assets	**263,973,167**	248,697,971

(i) Fair value hierarchy
The following table presents the funds assets measured at fair value according to the fair value hierarchy:

	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
2024				
Interest rate swap	**-**	**1,273,167**	**-**	**1,273,167**
Assets held for sale	**-**	**-**	**-**	**-**
Investment property	**-**	**-**	**262,700,000**	**262,700,000**
	-	**1,273,167**	**262,700,000**	**263,973,167**

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2023				
Interest rate swap	-	1,647,971	-	1,647,971
Assets held for sale	-	-	4,900,000	4,900,000
Investment property	-	-	242,150,000	242,150,000
	-	1,647,971	247,050,000	248,697,971

There were no transfers between levels 1, 2 or 3 during the period.

Note 14 Fair value measurement (continued)

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

Level 1: the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); and

Level 3: a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

(ii) Valuation techniques used to determine level 2 fair values

The fair value of derivatives not traded in an active market (interest rate swaps) is determined using valuation techniques which use only observable market data. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable market data by the Scheme's financiers.

(iii) Valuation techniques used to determine level 3 fair values

Investment properties are categorised at level 3 under fair value measurement hierarchy. Note 9 provides further details about the valuation processes, techniques and key judgements used to derive their fair value.

Note 15 Contributed equity

	2024		2023	
	Units	**$**	Units	$
Balance at beginning of period	**126,471,393**	**132,992,437**	109,199,441	113,888,487
Ordinary units issued	**15,177,573**	**16,364,490**	17,271,952	19,103,950
Ordinary units redeemed	**(2,661,226)**	**(3,000,000)**	-	-
Balance at end of period	**138,987,740**	**146,356,927**	126,471,393	132,992,437

Note 16 Reconciliation of cash flows from operating activities

	2024	2023
	$	$
Profit for the period attributable to unitholders	**5,254,538**	7,780,981
Adjustments for:		
Amortised borrowing costs	**102,667**	216,642
Net change in fair value of derivative financial instruments	**374,804**	(417,789)
Fair value (gain)/loss on property investment	**2,683,652**	(516,049)
Straight line rent adjustment	**(1,041,301)**	(902,133)
Capitalised lease costs	**(78,284)**	-
Rental abatement paid in advance	**(56,603)**	(134,114)
Change in operating assets and liabilities:		
Decrease (increase) in trade and other receivables	**165,036**	(535,578)
Increase in trade and other payables	**403,877**	206,682
Net cash provided by operating activities	**7,808,386**	5,698,642

Note 17 Related party transactions

(a) Responsible Entity

The Responsible Entity of Trilogy Industrial Property Trust is Trilogy Funds Management Limited ABN 59 080 383 679.

(b) Key management personnel

Responsible Entity

The Scheme does not employ personnel in its own right. However it is required to have an incorporated Responsible Entity to manage the activities of the Scheme. The Executive Directors of the Responsible Entity are key personnel of that entity and their names are John C Barry, Philip A Ryan, Justin J Smart, Henry F Elgood and Clinton B Arentz. The Responsible Entity also has four Non-Executive Directors being Robert M Willcocks, Rodger I Bacon, Rohan C Butcher and Patrice A Sherrie.

The Responsible Entity is entitled to a management fee which is calculated as a proportion of total gross assets of the Scheme.

No compensation is paid to the Directors of the Responsible Entity or to the key personnel of the Responsible Entity by the Scheme.

Note 17 Related party transactions (continued)

(c) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

i. Transactions recorded in the statement of profit or loss and other comprehensive income

	2024	2023
Expenses	**$**	$
Management and administration fees (i)	**57,035**	43,154
Professional fees (i)	**60,004**	45,699
Registry fees (ii)	**25,411**	25,676
Responsible Entity management fees (iii)	**1,159,373**	987,050
Asset origination fees (iv)	**580,000**	902,800
Marketing and advertising (v)	**146,016**	240,641
Performance fees (vi)	**47,839**	470,925
	2,075,678	2,715,945

ii. Balances recorded in the statement of financial position

	2024	2023
	$	$
Trade and other payables (ii)(iii)(v)	**165,267**	152,218

(i) Reimbursement of costs incurred by the Responsible Entity and SPFM No. 2 Unit Trust (an entity associated with the Responsible Entity) on behalf of the Scheme.

(ii) A company associated with the Responsible Entity provides registry services to the Responsible Entity, who in turn provides these services to the Scheme for which it levies a fee.

(iii) The Responsible Entity is entitled to a management fee of 0.50% p.a. (plus GST) of the gross asset value of the Scheme.

(iv) The Responsible Entity is entitled to an Asset origination fee of 2% (plus GST) of the investment property purchase price, pursuant to the PDS.

(v) Costs incurred in carrying out the capital raising process and ongoing marketing costs incurred by Trilogy Operations Trust (an entity associated with the Responsible Entity) on behalf of the Scheme.

(vi) The Responsible Entity is entitled to a performance fee of 15% (plus GST) of the portion of the outperformance of the Scheme over an internal rate of return of 9.00% p.a. This is triggered in the event of disposal of a property, revaluation of a property and on every fourth anniversary of the settlement date in accordance with the PDS. The Responsible Entity is also entitled to a fee for providing services to the Scheme such as securing a new tenant or lease renewal and providing project management services.

(d) Related party investments held by the Scheme

At the reporting date the Scheme held nil investments in other registered MIS operated by the Responsible Entity, being Trilogy Monthly Income Trust (TMIT) and Trilogy Enhanced Income Fund (TEIF) (2023: Nil).

	Fair value of investments		Interest held		Distributions received	
	2024	2023	**2024**	2023	**2024**	2023
	$	$	**%**	%	**$**	$
TMIT	**-**	-	**-**	-	**50,900**	-
TEIF	**-**	-	**-**	-	**16,620**	-
	-	-	**-**	-	**67,520**	-

(e) Units in the Scheme held by other related parties

Units held by the Responsible Entity

The Responsible Entity does not hold any interest in the Scheme as at 30 June 2024 (2023: nil).

Units held by Director and key management personnel related entities

The following entities associated with Directors and key management personnel of the Responsible Entity hold units in the Scheme:

Note 17 Related party transactions (continued)

(e) Units in the Scheme held by other related parties (continued)

Entity	**Unitholding $**	**Interest held %**	**Units issued No.**	**Units redeemed No.**	**Distribution paid and/or payable $**
2024					
Aimwin Pty Ltd SF*	**10,000**	**0.0001**	**10,000**	**-**	**800**
Bacon Executive SF*	**16,851**	**0.0001**	**16,851**	**-**	**1,348**
Clarebrook SF*	**5,098**	**0.0000**	**5,098**	**(14,902)**	**1,257**
	31,949	**0.0002**	**31,949**	**(14,902)**	**3,405**

Entity	Unitholding $	Interest held %	Units issued No.	Units redeemed No.	Distribution paid and/or payable $
2023					
Aimwin Pty Ltd SF*	10,000	0.0001	10,000	-	783
Bacon Executive SF*	16,851	0.0001	16,851	-	1,319
Clarebrook SF*	20,000	0.0002	20,000	-	1,384
	46,851	0.0004	46,851	-	3,486

* Superannuation fund

(f) Key management personnel loan disclosures
The Scheme 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.

(g) Other transactions within the Scheme
Apart from those details disclosed in this note, no Director has entered into a material contract with the Scheme from inception to the end of the period and there were no material contracts involving Directors' interests subsisting at period end.

Note 18 Financial risk management

Overview
The Scheme's assets principally consist of investment property. It holds these investment assets at the discretion of the Responsible Entity in accordance with the Scheme’s constitution and PDS.

Specific financial risk exposures and management
The main risks the Scheme is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk.

The nature and extent of the financial instruments employed by the Scheme are discussed below. This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risk.

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Scheme’s risk management framework. Regular discussion with property managers, tenants and loan providers are undertaken as required.

The Board is responsible for developing and monitoring the Scheme's risk management policies. The Responsible Entity's risk management policies are established to identify and analyse the risks faced by the Scheme, including those risks managed by the Responsible Entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Scheme’s activities.

The Responsible Entity’s Compliance Committee and its Audit & Risk Committee oversees how management monitors compliance with the Scheme’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Scheme.

Note 18 Financial risk management (continued)

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme and cause a loss. The Responsible Entity manages the exposure to credit risk on an ongoing basis.

The carrying amount of the Scheme's financial assets represents the maximum credit exposure. The Scheme's maximum exposure to credit risk at the reporting date is as follows:

	Note	**2024**	2023
		$	$
Financial assets			
Cash and cash equivalents	6	**11,406,626**	2,141,775
Trade and other receivables - current	7	**723,370**	888,406
Derivative financial instruments	13	**1,273,167**	1,647,971
Total financial assets		**13,403,163**	4,678,152

This risk is minimised by regularly reviewing the Scheme's trade and other receivables. The ageing of trade receivables at the reporting date are all current with no amounts past due or impaired.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Scheme might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Responsible Entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The timing of cash flows presented in the table below to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

	Carrying amount	**Contract cash flows**	**< 1 month**	**1-3 months**	**3-12 months**	**> 12 months**	**Weighted average interest rate**
	$	**$**	**$**	**$**	**$**	**$**	
2024							
Financial liabilities							
Distributions payable	**942,623**	**942,623**	**942,623**	**-**	**-**	**-**	**7.21%**
Trade and other payables	**1,699,049**	**1,699,049**	**1,699,049**	**-**	**-**	**-**	**-**
Loan facilities (i)	**134,042,903**	**141,909,459**	**6,883,251**	**13,750,738**	**59,903,222**	**61,372,248**	**4.29%**
	136,684,575	**144,551,131**	**9,524,923**	**13,750,738**	**59,903,222**	**61,372,248**	

	Carrying amount	**Contract cash flows**	**< 1 month**	**1-3 months**	**3-12 months**	**> 12 months**	**Weighted average interest rate**
	$	**$**	**$**	**$**	**$**	**$**	
2023							
Financial liabilities							
Distributions payable	853,459	853,459	853,459	-	-	-	7.17%
Trade and other payables	1,295,172	1,295,172	1,295,172	-	-	-	-
Loan facilities (i)	117,984,661	127,225,300	1,311,831	2,608,226	5,619,299	117,685,944	4.77%
	120,133,292	129,373,931	3,460,462	2,608,226	5,619,299	117,685,944	

(i) Variable rates apply to this facility, therefore forecast contractual cash flows are an estimate only.

Note 18 Financial risk management (continued)

(b) Liquidity risk (continued)

The Scheme's capital management strategy seeks to maximise unitholder value through optimising the level and use of capital resources and the mix of debt funding.

The Scheme's capital management objectives aim to:

- ensure that the Scheme complies with capital and distribution requirements of its constitution and PDS;
- ensure sufficient capital resources to support the Scheme's operational requirements;
- continue to support the Scheme's credit worthiness; and
- safeguard the Scheme's ability to continue as a going concern.

(c) Capital management

In a stable economic environment the Scheme is generally able to alter its capital mix by:

- adjusting the amount of distributions paid to members; and
- selling assets to reduce borrowings.

The Scheme protects its equity in property assets by taking out insurance cover with credit-worthy insurers.

Debt
The Scheme holds a debt facility of $99,505,000 with WBC and a debt facility of $34,713,500 with CBA. The covenants related to these facilities are detailed below.

WBC covenants	**Actual**	**Limit**	
Loan to value ratio	50%	55%	(maximum)
Interest cover ratio	2.71 times	2 times	(minimum)

CBA covenants	**Actual**	**Limit**	
Loan to value ratio	53%	55%	(maximum)
Interest cover ratio	1.95 times	2 times	(minimum)

The Scheme has complied with the financial covenants of its debt facilities during the period.

Equity
At the beginning of the period, the Scheme had 126,471,393 units on issue valued at $132,992,437. During the period the Scheme issued an additional 15,177,573 units with a value of $16,364,490. During the year 2,661,226 units were redeemed from the Scheme (2023: nil) for a consideration of $3,000,000. The Scheme had 138,987,740 units on issue at the reporting date for a consideration of $146,356,927.

The Scheme monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by adjusted assets. Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted assets are calculated as total assets less cash and cash equivalents. The gearing ratio as at 30 June 2024 and 30 June 2023 were as follows:

	Note	**2024** $	2023 $
Total borrowings	12	**134,042,903**	117,984,661
Less: cash and cash equivalents	6	**(11,406,626)**	(2,141,775)
Net debt		**122,636,276**	115,842,886
Total assets		**276,103,163**	251,728,152
Less: cash and cash equivalents	6	**(11,406,626)**	(2,141,775)
Adjusted assets		**264,696,537**	249,586,377
Gearing ratio		**46%**	46%

The Scheme's gearing ratio is considered medium.

Note 18 Financial risk management (continued)

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Scheme's income or the value of its holdings of financial instruments. Market risk embodies the potential for both loss and gains. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

i. *Interest rate risk*

The Scheme manages its interest rate risk using interest rate swap derivative instruments. The Scheme has entered into interest rate swap hedging agreements with 28% of its borrowings. Any fair value movements in the Scheme's interest rate swap derivatives as a result of underlying interest rate changes and other market factors are non-cash movements that do not impact the operations of the Scheme.

The Scheme's loan facilities are subject to variable interest rates (refer to Note 12 for details). The following table indicates the impact on how profit and equity values reported at the end of the financial year would have been affected by a 1.00% increase/decrease in interest rates during the year on the facility.

	Profit / (loss) $	Unitholder funds $
2024		
Loan facilities		
+1.00% in interest rates	**(1,182,992)**	**(1,182,992)**
-1.00% in interest rates	**1,182,992**	**1,182,992**
2023		
Loan facilities		
+1.00% in interest rates	(1,103,031)	(1,103,031)
-1.00% in interest rates	1,103,031	1,103,031

(e) Fair value estimation

The carrying values approximate the fair value of the Scheme's financial assets and liabilities.

Note 19 Custodian of the Scheme

The Scheme's custodian is The Trust Company Limited. The custodian holds title to the assets of the Scheme in its name on behalf of the Scheme. The total value of assets held by the custodian at cost as at 30 June 2024 totals $276,103,163 (2023: $251,728,152).

The custodian is entitled to a minimum annual administration fee of $18,212 (plus GST) (2023: $17,502). During the period, the Scheme paid $64,907 in custodian fees (2023: $59,527).

The relationship between the custodian and Responsible Entity is set out in the Custodial Agreement.

Note 20 Litigation and contingent liabilities

There are no contingent liabilities or contingent assets at 30 June 2024 (2023: nil).

Note 22 Events subsequent to reporting date

75-95 & 105 Corio Quay Road, North Geelong, VIC (Geelong)

In July 2024, the Scheme entered into a Heads of Agreement to acquire the Geelong property. The property consists of a 3.8 hectare site with a 21,310 squares metres of area across two buildings. The property is fully leased to UG Manufacturing Co Pty Ltd. The tenant trades as renowned Australian brand, Quiksilver Australia Pty Ltd, a global leader in the sport, outdoor and lifestyle apparel industry. The property has a WALE of 7-years, generates passing net income of $2.25m p.a. and includes fixed annual rental increases of 3%.

Investment in Trilogy Enhanced Income Fund (TEIF)

In July 2024, the Scheme invested $8,000,000 into TEIF. It is expected this will be a short-term investment, with the requirement for cash to fund the proposed acquisition of Geelong.

Potential sale of Gillman

In August 2024, the Responsible Entity agreed to a non-binding Offer to Purchase Letter and entered exclusive due diligence with a potential purchaser of the Gillman asset. The sale is conditional upon completion of due diligence by the purchaser.

Other than the items noted above, there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to affect significantly the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme, in future financial years.

Trilogy Industrial Property Trust
Directors' declaration

In the opinion of the Directors of Trilogy Funds Management Limited (Responsible Entity), the Responsible Entity of Trilogy Industrial Property Trust (Scheme):

(a) The financial statements and notes, as set out on pages 9 to 28 are 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 2024 and of its performance, for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Intepretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2; and

(b) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of the Responsible Entity.

Philip A Ryan	Justin J Smart
Managing Director	Executive Director
26 September 2024	26 September 2024
Brisbane	Brisbane

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INDEPENDENT AUDITOR'S REPORT

To the members of Trilogy Industrial Property Trust

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Trilogy Industrial Property Trust (the Registered Scheme), which comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information and the directors' declaration of Trilogy Funds Management Limited as Responsible Entity of Trilogy Industrial Property Trust.

In our opinion the accompanying financial report of Trilogy Industrial Property Trust, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Registered Scheme's financial position as at 30 June 2024 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 Registered 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 Trilogy Funds Management Limited as Responsible Entity of Trilogy Industrial Property Trust, 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 Trilogy Funds Management Limited as Responsible Entity of Trilogy Industrial Property Trust are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Registered Scheme's Annual 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 for the Financial Report

The directors of Trilogy Funds Management Limited as Responsible Entity of Trilogy Industrial Property Trust 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 Registered 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 Registered 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 Kendall

T J Kendall
Director

Brisbane, 26 September 2024

Find out more.

Start a conversation with us today.
Call 1800 230 099 or
email investorrelations@trilogyfunds.com.au

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