

Annual Report 2026

**TRILOGY ESSENTIAL
RETAIL FUND**

ARSN 687 648 068

Issued by Trilogy Funds Management Limited
in its capacity as Responsible Entity

 **Trilogy Funds**



Your Annual Financial Report

Dear investor,

Thank you for your continued support of Trilogy Funds Management Limited (**Trilogy Funds**) and the **Trilogy Essential Retail Fund**.

Throughout FY26, investors grappled with mixed economic conditions. Geopolitical tension in the Middle East resulted in higher oil prices and persistent inflationary pressures that led to restrictive monetary policy settings, contributing to an uncertain investment landscape.

These conditions highlighted the importance of our disciplined investment approach, prudent risk management and active portfolio oversight across both private credit and commercial property, where asset quality and consistent income remain key areas of focus.

As the business prepares for its next phase of growth, Trilogy Funds Group Pty Ltd (**Trilogy Funds Group**) continued the implementation of its long-term succession strategy. In early FY26, we announced that Henry and I were appointed Co-Managing Directors of both Trilogy Funds and Trilogy Funds Group, while Philip Ryan had transitioned from Managing Director of Trilogy Funds to Executive Chairman of Trilogy Funds Group.

To further strengthen the organisation's lending capabilities, Clinton Arentz was appointed Managing Director of Trilogy Financing Pty Ltd, which oversees Trilogy Funds Group's lending activities, while Daniel Trist was promoted to the newly created Head of Origination role.

Finally, recognising the ever-increasing importance of technology, cyber security and operational efficiency in delivering for investors and the organisation's stakeholders more broadly, Tom Freer commenced as Chief Technology Officer, strengthening our ability to support future growth.

We will continue to invest in our people, capabilities and processes as we remain focused on disciplined execution, prudent risk management and delivering sustainable, long-term value for investors.

Thank you once again for your support of Trilogy Funds.

Yours sincerely,

Justin Smart

Co-Managing Director
Trilogy Funds Management Limited

Henry Elgood

Co-Managing Director
Trilogy Funds Management Limited



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DIRECTORS' REPORT

For the period of 13 June 2025 to 30 June 2026

The Directors of Trilogy Funds Management Limited (Responsible Entity), the Responsible Entity of the Trilogy Essential Retail Fund (Scheme or Fund), present their report together with the financial statements of the Scheme for the period 13 June 2025 to 30 June 2026.

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 of the Responsible Entity in office at any time during, or since the end of the financial year, are:

Name and qualifications	Age	Experience and special responsibilities
Robert M Willcocks Independent Non-Executive Chairman BA, LL.B, LL.M	77	Member of the Audit & Risk Committee Former partner with Mallesons Stephen Jaques, then King & Wood Mallesons, now Mallesons Mr Willcocks has been a non-executive director (sometimes Chairman) of a number of listed companies Chairman – Responsible Entity since 9 October 2009
Rohan C Butcher Independent Non-Executive Director Grad Dip PM, BASc(QS), Registered Builder, Licensed Real Estate Agent	57	Member of the Lending Committee Consultant to several major companies providing development management services Director – Responsible Entity since 29 July 2008
Henry F Elgood Executive Director MAICD	30	Member of the Audit & Risk Committee Mr Elgood is co-managing director of Trilogy Funds Group Pty Ltd (the parent entity of the group), and is an executive director of Trilogy Funds Management Limited Director – Responsible Entity since 1 January 2023
Justin J Smart Executive Director and Company Secretary BCom, CPA	54	Member of the Audit & Risk Committee Mr Smart is co-managing director of Trilogy Funds Group Pty Ltd (the parent entity of the group), and is an executive director of Trilogy Funds Management Limited Director – Responsible Entity from 1 January 2023 Company Secretary – Responsible Entity since 11 July 2013
Patrice A Sherrie Independent Non-Executive Director GAICD, FCA, B Bus	63	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 to 28 August 2026
Philip Anthon Independent Non-Executive Director LLB, GAICD	62	Chairman of the Audit & Risk Committee Philip has over 40 years experience across regulatory risk management and compliance in the legal and financial services sectors, including senior executive roles at Perpetual Trustee Australia and Suncorp Metway Limited as well as acting as Chairman of FIIG Securities Limited. Independent Non-Executive Director – Responsible Entity from 28 August 2026



DIRECTORS' REPORT

For the period of 13 June 2025 to 30 June 2026

Principal activities

The Scheme registered on 13 June 2025 and commenced operations on 13 June 2025. During the period the Scheme purchased a suburban convenience shopping centre, located at 6 Kingsbridge Boulevard, Butler, Western Australia (Property). The Scheme is a registered managed investment scheme domiciled in Australia. This is the first set of financial statements of the Scheme that covers a period from 13 June 2025 to 30 June 2026, and as such, there are no comparatives. The Scheme did not have any employees during the period.

Review of operations and results

Financial Overview

The loss attributable to unitholders for the period was \$1,055,986. This loss was primarily attributable to the recognition of the investment property to its fair value, resulting in a loss of \$1,359,033. The gross rental revenue derived from tenants at the investment property totalled \$1,443,780 for the period.

The total carrying value of the Scheme's assets as at 30 June 2026 was \$25,959,467, comprised primarily of the investment property.

Acquisition of 6 Kingsbridge Boulevard, Butler, Western Australia, (Brighton Village)

In September 2025, the Scheme acquired its first asset, Brighton Village. The Property consists of 3,831 lettable square metres and is fully leased. The largest tenant at the Property is Coles Supermarkets Australia Pty Ltd which occupies 2,802 square metres. Brighton Village also comprises six specialty tenants including a gym, a newsagency, three food and beverage tenants and a real estate agency. The current weighted average lease expiry (WALE) by income is 6.32 years.

Drawdown of Bank of Melbourne (BOM) finance facility

In September 2025, the Scheme entered into a finance facility with BOM to facilitate the purchase of Brighton Village, the quantum of the facility is \$13,915,000 and was fully drawn at settlement. The terms of this facility include a three-year cash advance with three interest components being a variable rate based on the Bank Bill Swap Bid Rate (BBSY), a line fee of 1.00% p.a. and a risk margin of 0.40% p.a. payable monthly.

Establishment of BOM interest rate swap facility

The Responsible Entity entered into a swap facility on behalf of the Scheme during the period with BOM. The notional amount of the facility totals \$13,915,000 and represents a 100% hedge of the Scheme's finance facility with BOM. This facility was entered into to reduce interest rate risk and provide certainty of the Scheme's cash flow with respect to its interest expense. This swap facility commenced in December 2025 and provides an initial fixed rate of 3.35% p.a., with annual stepped increases occurring on 29 December 2026 to 3.65% p.a. and 29 December 2027 to 4.05% p.a. The line fee and risk margin remain consistent throughout the term of the hedge payable at 1.00% p.a. and 0.40% p.a. respectively. The swap facility is due to expire in September 2028.

Distributions to unitholders

The return to unitholders of the Scheme for the period was as follows:

	13 Jun 2025 to 30 Jun 2026
	\$
Distributions paid during the period	673,967
Distributions payable at year end	79,625
	753,592
Cents per unit (CPU) (i)	5.52



DIRECTORS' REPORT

For the period of 13 June 2025 to 30 June 2026

Review of operations and results (continued)

Distributions to unitholders (continued)

- (i) The Scheme commenced paying distributions in September 2025 paying 2.50 CPU p.a. reflecting the interest earned on application monies prior to completing the purchase of the investment property. From October 2025 to 30 June 2026 the Scheme paid a monthly distribution equivalent to 7.00 CPU p.a.

Net asset value (NAV) per unit (unaudited non-IFRS disclosure)

The Scheme's unit price as at 30 June 2026 is \$0.9918. The unit price has been calculated in accordance with the Responsible Entity's Unit Pricing Policy.

	30 Jun 2026
	\$
Net assets	11,840,422
<i>Adjustments for:</i>	
Unamortised acquisition cost (i)	1,916,404
Derivative financial instruments (i)	(217,037)
Straight-line (asset)/liability adjustments (i)	(16,014)
Adjusted net assets	13,523,775
Net asset value per unit (NAV)	\$0.99

- (i) It is the policy of the Responsible Entity to exclude derivative financial instruments, straight line rental asset/liability, and unamortised equity raising and Scheme establishment fees from the calculation of NAV. 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 Responsible Entity's Unit Pricing Policy in determining the unit price.

Indirect cost ratio (ICR)

The ICR of the Scheme for the period ended 30 June 2026 is 3.01% p.a.

Units on issue

During the period 13,780,000 units were issued for cash. A total of 130,000 units were redeemed from the Scheme. As at 30 June 2026 the Scheme had 13,650,000 units on issue.

Interests of the Responsible Entity

The following transactions occurred between the Scheme and the Responsible Entity and its associates during the period (refer Note 15(c)).

	13 Jun 2025 to 30 Jun 2026
	\$
<i>Fees paid directly by the Scheme</i>	
Asset origination fees	506,000
Registry fees	18,891
Responsible Entity management fees	89,520
	614,411



DIRECTORS' REPORT

For the period of 13 June 2025 to 30 June 2026

Net asset value (NAV) per unit (unaudited non-IFRS disclosure) (continued)

Units held by the Responsible Entity

The Responsible Entity (including its associates) held units in the Scheme as at 30 June 2026 (refer Note 15(d)).

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:

- (a) Granted over the unissued units in the Scheme during or since the reporting period
- (b) Granted to the responsible entity

No issued 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 the 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.



DIRECTORS' REPORT

For the period of 13 June 2025 to 30 June 2026

Events subsequent to the end of the reporting period

Subsequent to year end, Patrice A Sherrie resigned as an Independent Director and Chairman of the Audit & Risk Committee of Trilogy Funds Management Limited effective 28 August 2026. The Board appointed a replacement Independent Director and Chairman of the Audit & Risk Committee, Philip Anthon, following Patrice's resignation. The resignation and appointment of the directors have not affected the operation of the Responsible Entity or the management of the Schemes.

Apart from the 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.

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 6.

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

Henry F Elgood
Co-Managing Director

30 September 2026
Sydney

Justin J Smart
Co-Managing Director

30 September 2026
Brisbane



AUDITORS INDEPENDENCE DECLARATION



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DECLARATION OF INDEPENDENCE BY N I BATTERS TO THE DIRECTORS OF TRILOGY FUNDS MANAGEMENT LIMITED AS RESPONSINLE ENTITY OF TRILOGY ESSENTIAL RETAIL FUND

As lead auditor of Trilogy Essential Retail Fund for the period ended 30 June 2026, 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.

A handwritten signature in black ink, appearing to read 'N I Batters', enclosed within a dotted rectangular box.

N I Batters
Director

BDO Audit Pty Ltd

Brisbane, 30 September 2026

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period of 13 June 2025 to 30 June 2026

	Note	13 Jun 2025 to 30 Jun 2026 \$
Revenue and other income		
Rental revenue		1,443,780
Recoverable outgoings		408,035
Interest revenue from financial institutions		63,848
Net change in fair value of derivative financial instruments		217,037
		<u>2,132,700</u>
Expenses		
Asset origination fees	15	(506,000)
Audit fees		(33,332)
Compliance audit fees		(5,298)
Custodian fees		(7,074)
Direct property expenses and outgoings		(437,305)
Fair value loss on property investment	8	(1,359,033)
Management and administration costs		(5,825)
Marketing and advertising		(105,796)
Professional fees		(16,363)
Registry fees	15	(18,891)
Responsible Entity management fees	15	(89,520)
Scheme establishment and due diligence fees		(82,548)
Taxation fees		(8,745)
		<u>(2,675,730)</u>
Loss for the period before finance costs		<u>(543,030)</u>
<i>Finance costs:</i>		
• Interest expense		(504,675)
• Amortisation of loan transaction costs		(8,281)
		<u>(512,956)</u>
Loss for the period attributable to unitholders		<u>(1,055,986)</u>
Other comprehensive income		
Other comprehensive income		-
Total comprehensive income for the period attributable to unitholders		<u>(1,055,986)</u>

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



STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	30 Jun 2026 \$
Assets		
Current assets		
Cash and cash equivalents	6	359,871
Trade and other receivables	7	82,559
Total current assets		442,430
Non-current assets		
Derivative financial instruments	11	217,037
Investment property - at fair value	8	25,300,000
Total non-current assets		25,517,037
Total assets		25,959,467
Liabilities		
Current liabilities		
Trade and other payables	9	149,294
Distributions payable		79,625
Total current liabilities		228,919
Non-current liabilities		
Borrowings	10	13,890,126
Total non-current liabilities		13,890,126
Total liabilities		14,119,045
Net assets		11,840,422
Equity		
Contributed equity	13	13,650,000
Accumulated losses		(1,055,986)
Distributions paid/payable		(753,592)
Total equity		11,840,422

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



STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period of 13 June 2025 to 30 June 2026

	Note	Contributed equity \$	Accumulated losses \$	Total equity \$
Opening Balance		-	-	-
<i>Comprehensive income:</i>				
Loss for the period		-	(1,055,986)	(1,055,986)
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period 13 June 2025 to 30 June 2026		-	(1,055,986)	(1,055,986)
<i>Transactions with unitholders in their capacity as owners:</i>				
Units issued for cash	13	13,780,000	-	13,780,000
Units redeemed for cash	13	(130,000)	-	(130,000)
Distributions paid/payable		-	(753,592)	(753,592)
Balance at 30 June 2026		13,650,000	(1,809,578)	11,840,422

The statement of changes in net assets attributable to unitholders should be read in conjunction with the accompanying notes



STATEMENT OF CASH FLOWS

For the period of 13 June 2025 to 30 June 2026

	Note	13 Jun 2025 to 30 Jun 2026 \$
Cash flows from operating activities		
Receipts from customers		1,752,929
Payments to suppliers		(1,167,090)
Interest received		63,848
Interest paid		(504,675)
Net cash used in operating activities	14	<u>145,012</u>
Cash flows from investing activities		
Payments for acquisition of investment property	8(a)	<u>(26,643,019)</u>
Net cash used in investing activities		<u>(26,643,019)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary units	13	13,650,000
Proceeds from issue of acquisition units	13	130,000
Payments for redemption of acquisition units	13	(130,000)
Proceeds from borrowings		13,915,000
Payment of borrowing costs		(33,155)
Distributions paid to unitholders		(673,967)
Net cash provided by financing activities		<u>26,857,878</u>
Net increase in cash and cash equivalents		359,871
Cash at beginning of the reporting period		-
Cash and cash equivalents at end of the financial year		<u>359,871</u>

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



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 1 Reporting entity

The Trilogy Essential Retail Fund (Scheme or Fund) is a registered managed investment scheme under the Corporations Act 2001. The registered office and principal place of business of Trilogy Funds Management Limited (Responsible Entity) and the Scheme is Level 26, 10 Eagle Street, Brisbane, QLD, 4000.

The Scheme was established on 13 June 2025 and commenced its core business activities in September 2025. Accordingly, pursuant to section 323D of the Corporations Act 2001 (Act), the Responsible Entity elected to extend the Scheme's first financial year, hence there are no comparatives. The financial statements are for the period from 13 June 2025 to 30 June 2026. 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.

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 Act. 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 the Responsible Entity on 30 September 2026.

(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.

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 8: Investment property (fair value of investment property)
- Note 11: Derivative financial instruments
- Note 12: Fair value measurement
- Note 16: Financial risk management



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 2 Basis of preparation (continued)

(d) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the current reporting period and have not been early adopted by the Scheme. The Scheme's assessment of the impact of these new accounting standards, amendments and interpretations is set out below:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to AASB 9 and AASB 7 (effective for annual periods beginning on or after 1 January 2026). The AASB issued targeted amendments to AASB 9 and AASB 7 to respond to recent questions arising in practice, and to include new requirements for all reporting entities. Among other amendments, the AASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- AASB 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027). The IASB issued the new standard on presentation and disclosure in financial statements, which replaces AASB 101, with a focus on updates to the statement of profit or loss. The key new concepts introduced in AASB 18 relate to:
 - the structure of the statement of profit or loss with defined subtotals;
 - the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss;
 - required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Responsible Entity is currently still assessing the effect of the forthcoming standard and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

Note 3 Material accounting policies

(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 accrual basis.

(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.



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 3 Material accounting policies (continued)

(d) Taxation (continued)

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;
- 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.



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

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 property is 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 fit out 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 value of the property held by the Scheme is 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 considered 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 property 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 directly attributable to the issue of borrowings are included as part of the carrying amount of the borrowings.

Borrowings are classified as current liabilities unless the Scheme has a 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.



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 3 Material accounting policies (continued)

(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.

(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 receivable.

(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) Reporting period

Pursuant to section 323D of the Corporations Act 2001 (Act), the Responsible Entity elected to extend the Scheme's first financial year. The financial statements are for the period from 13 June 2025 to 30 June 2026. Hence, there are no comparatives.



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 4 Distributions to unitholders

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

		13 Jun 2025 to 30 Jun 2026
	\$	Cents/unit
Paid during the period	673,967	4.94
Distributions payable at year end	79,625	0.58
	753,592	5.52

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:

	13 Jun 2025 to 30 Jun 2026
	\$
<i>Audit and other assurance services</i>	
Audit and review of the financial statements	42,500
Audit of the compliance plan	10,700
Total remuneration for audit and other services	53,200

Note 6 Cash and cash equivalents

	30 Jun 2026
	\$
Cash and cash equivalents	359,871
	359,871

Note 7 Trade and other receivables

	13 Jun 2025 to 30 Jun 2026
	\$
<i>Current assets</i>	
Trade receivables	6,128
Other receivables (i)	76,431
	82,559

(i) Primarily comprised of funds held in trust by the property manager payable to the Scheme.

(a) Impairment of receivables

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.

(b) Collateral pledged

No collateral is held over trade and other receivables.



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 8 Investment property

(a) Investment property – at fair value

	30 Jun 2026
	\$
Investment property - non-current	25,300,000
	<u>25,300,000</u>

	30 Jun 2026
	\$
<i>At fair value</i>	
Balance at beginning of period	-
Acquisition of investment property (i)	26,643,019
Fair value decrease on investment property	(1,359,033)
Straight line rent	16,014
Balance at the end of period	<u>25,300,000</u>

By investment property

<i>By investment property</i>	Independent Valuation		30 Jun 2026
Property address	Date	Amount \$	Carrying Amount (ii)
6 Kingsbridge Boulevard, Butler, WA	13 Jun 2025	25,300,000	25,300,000
		25,300,000	25,300,000

- (i) During the period, the Scheme acquired 6 Kingsbridge Boulevard, Butler, Western Australia, (Brighton Village) for \$25,300,000, with additional capitalised acquisition costs of \$1,343,019, primarily comprising of stamp duty and property registration fees.
- (ii) The carrying amount of the investment property 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. When 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 Responsible Entity's Board of Directors. This amount is inclusive of straight-lining of rental income and rental abatements.

The Scheme's assets are pledged as security to Bank of Melbourne (BOM) 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.

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:

	2026
	\$
Not later than one year	1,780,813
Later than one year and not later than five years	6,632,332
Greater than five years	3,519,168
	<u>11,932,313</u>

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 16 for further details of the Scheme's risk management strategy.



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 8 Investment property (continued)

(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.

The investment property is 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.

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:

	30 Jun 2026
	\$
Fair value	25,300,000
Net market rent	1,174,812
Adopted capitalisation rate	6.25%
Adopted discount rate	6.75%
Terminal yield	6.50%

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	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 the current market value adopts the same spread between the 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.



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 9 Trade and other payables

	30 Jun 2026
	\$
<i>Current liabilities</i>	
Trade payables	45,317
Other accruals	60,743
GST payable	43,234
	<u>149,294</u>

Note 10 Borrowings

	30 Jun 2026
	\$
<i>Non-current</i>	
Secured loans	
Commercial bill facility	13,890,126
	<u>13,890,126</u>

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

			30 Jun 2026
Facility	Secured	Maturity Date	Facility limit \$ Drawn balance \$
Loan facility (i)	Yes	30 Sep 2028	13,915,000
Unamortised transaction costs (ii)			- (24,874)
Total borrowings			<u>13,890,126</u>

- (i) In September 2025, the Scheme entered into a finance facility with BOM to facilitate the purchase of Brighton Village. The quantum of the facility is \$13,915,000 and was fully drawn at property settlement. The terms of this facility include a three-year cash advance with three interest components being a variable rate based on the Bank Bill Swap Bid Rate (BBSY), a line fee of 1.00% p.a. and a risk margin of 0.40% p.a. payable monthly.
- (ii) 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.

Compliance with loan covenants

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

Note 11 Derivative financial instruments

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

The Responsible Entity has entered into an interest rate swap agreement with BOM with a total face value of \$13,915,000 equating to 100% of the drawn debt facility at the reporting date. The hedge consists of a three-year fixed rate, with annual stepped increases occurring on 29 December 2026 and 29 December 2027, expiring on 28 September 2028. The fair value of the BOM interest rate swap asset as at 30 June 2026 was \$217,037, as determined using BOM's mark-to-market valuation methodology.

	30 Jun 2026
	\$
Derivative financial instruments	217,037
	<u>217,037</u>



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 12 Fair value measurement

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

	30 Jun 2026
	\$
<i>Derivative asset</i>	
Interest rate swap - level 2	217,037
	<u>217,037</u>
<i>Non-financial assets</i>	
Investment property – level 3	25,300,000
	<u>25,300,000</u>
 Total assets	 <u>25,517,037</u>

(a) Fair value hierarchy

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2026				
Interest rate swap	-	217,037	-	217,037
Investment property	-	-	25,300,000	25,300,000
	<u>-</u>	<u>217,037</u>	<u>25,300,000</u>	<u>25,517,037</u>

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

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).

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 by 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 (BOM).

Valuation techniques used to determine level 3 fair values

Investment properties are categorised at level 3 under the fair value measurement hierarchy. This includes movements in acquisitions and capitalised improvements, disposals, gains/(losses) recognised in profit or loss and other comprehensive income. Note 8 provides further details about the valuation processes, techniques and key judgements used to derive their fair value.



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 13 Contributed equity

		30 Jun 2026
	Units	\$
Balance at beginning of period	-	-
Ordinary units issued	13,650,000	13,650,000
Acquisition units issued	130,000	130,000
Acquisition units redeemed (i)	(130,000)	(130,000)
Balance at end of period	13,650,000	13,650,000

- (i) A related party to the Responsible Entity held Acquisition units in the Scheme at property settlement. Subsequent to the property settlement, in October 2025, these units were redeemed from the Scheme.

Note 14 Reconciliation of cash flows from operating activities

	13 Jun 2025 to 30 Jun 2026
	\$
Profit for the period attributable to unitholders	(1,055,986)
Adjustments for:	
Amortised borrowing costs	8,281
Net change in fair value of derivative financial instruments	(217,037)
Straight line rental adjustment	(16,014)
Fair value (gain)/loss on property investment	1,359,033
Change in operating assets and liabilities:	
Decrease/(increase) in trade and other receivables	(82,559)
Increase/(decrease) in trade and other payables	149,294
Net cash provided by operating activities	145,012

Note 15 Related Party Transactions

(a) Responsible Entity

The Responsible Entity of the Trilogy Essential Retail Fund 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 Justin J Smart and Henry F Elgood. As at the date of signing, the Responsible Entity also has three Non-Executive Directors, Robert M Willcocks, Rohan C Butcher and Philip Anthon. Subsequent to year end, Patrice A Sherrie resigned as an Independent Director and Chairman of the Audit & Risk Committee of Trilogy Funds Management Limited effective 28 August 2026. The Board appointed Philip Anthon, Independent Director and Chairman of the Audit & Risk Committee on 28 August 2026.

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



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 15 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:

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

	13 Jun 2025 to 30 Jun 2026
<i>Expenses</i>	\$
Asset origination fees (i)	506,000
Registry fees (ii)	18,891
Responsible Entity management fees (iii)	89,520
	614,411

Balances recorded in the statement of financial position

	30 Jun 2026
	\$
Trade and other payables (iv)	45,260
	45,260

- (i) The Responsible Entity is entitled to an asset origination fee of 2.00% (plus GST) of the investment property purchase price.
- (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. (inclusive of GST) of the gross asset value (GAV) of the Scheme.
- (iv) The balance of reimbursable expenses and management fees owed to the Responsible Entity by the Scheme.

(d) Related party investments held in the Scheme

Details of holdings in the Scheme by the Responsible Entity, other schemes operated by the Responsible Entity and entities associated with Directors of the Responsible Entity are as follows:

	Interest held %	Current Unitholding No.	Units issued No.	Units redeemed No.	Distributions paid/payable \$
30 June 2026					
Trilogy Industrial Property Trust	7.33	1,000,000	1,000,000	-	53,870
TG Investments APAC Trust (i)	1.19	162,830	1,924,830	1,762,000	35,506
Wengen Capital Pty Ltd	0.04	5,000	5,000	-	283
	8.56	1,167,830	2,929,830	1,762,000	89,659

- (i) TG Investments APAC Trust acquired Acquisition units in the Scheme at property settlement. Subsequent to the property settlement, in October 2025, a portion of these units were redeemed from the Scheme with the remainder being transferred to ordinary units.



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 16 Financial risk management

Overview

The Scheme's assets principally consist of an 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 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.

(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	30 Jun 2026 \$
Financial assets		
Cash and cash equivalents	6	359,871
Trade and other receivables - current	7	82,559
Derivative financial instruments	11	217,037
Total financial assets		659,467

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.
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 16 Financial risk management (continued)

(b) Liquidity risk (continued)

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
30 Jun 2026							
Financial liabilities							
Distributions payable	79,625	79,625	79,625	-	-	-	7.00%
Trade and other payables	149,294	149,294	149,294	-	-	-	-
Loan facilities	13,915,000	15,520,203	56,137	110,463	515,066	14,838,537	5.13%
	14,143,919	15,749,122	285,056	110,463	515,066	14,838,537	

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 \$13,915,000 with BOM. The covenants related to this facility are detailed below.

BOM Covenants	Actual	Limit
Loan to value ratio	55%	60% (maximum)
Interest cover ratio	2.77 times	1.75 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 Nil units on issue valued at Nil. The Scheme had 13,650,000 units on issue at the reporting date for consideration of \$13,537,877.

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 2026 was as follows:



NOTES TO THE FINANCIAL STATEMENTS

For the period of 13 June 2025 to 30 June 2026

Note 16 Financial risk management (continued)

(c) Capital management (continued)

	Note	30 Jun 2026 \$
Total borrowings	10	13,890,126
Less: cash and cash equivalents	6	(359,871)
Net debt		13,530,255
Total assets		25,959,467
Less: cash and cash equivalents	6	(359,871)
Adjusted assets		25,599,596

Gearing ratio

53%

The Scheme's gearing ratio is considered medium.

(d) Fair value estimation

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

(e) 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 losses 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.

(f) Interest rate risk

The Scheme manages its interest rate risk using interest rate swap derivative instruments. The Scheme has entered into an interest rate swap hedging agreement with 100% 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 on the operations of the Scheme.

Note 17 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 2026 totals \$25,930,222.

The custodian is entitled to a minimum annual administration fee of \$7,500 (plus GST). During the period, the Scheme paid \$7,074 in custodian fees.

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

Note 18 Contingent liabilities

There are no contingent liabilities or contingent assets at 30 June 2026.

Note 19 Events subsequent to reporting date

Subsequent to year end, Patrice A Sherrie resigned as an Independent Director and Chairman of the Audit & Risk Committee of Trilogy Funds Management Limited effective 28 August 2026. The Board appointed a replacement Independent Director and Chairman of the Audit & Risk Committee, Philip Anthon, following Patrice's resignation. The resignation and appointment of the directors have not affected the operation of the Responsible Entity or the management of the Schemes.



DIRECTORS' DECLARATION

For the period of 13 June 2025 to 30 June 2026

In the opinion of the Directors of Trilogy Funds Management Limited (Responsible Entity), the Responsible Entity of Trilogy Essential Retail Fund (Scheme):

- (a) The financial statements and notes, as set out on pages 6 to 25 are in accordance with the Corporations Act 2001, including:
 - giving a true and fair view of the Scheme's financial position as at 30 June 2026 and of its performance, for the financial year ended on that date; and
 - complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2; and
- (c) 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.

Henry F Elgood
Co-Managing Director

30 September 2026
Sydney

Justin J Smart
Co-Managing Director

30 September 2026
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Trilogy Essential Retail Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Trilogy Essential Retail Fund (the Registered Scheme), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the period 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 Essential Retail Fund.

In our opinion the accompanying financial report of Trilogy Essential Retail Funds, 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 2026 and of its financial performance for the period 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of financial reports 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 as Responsible Entity of Trilogy Essential Retail Fund, 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 Essential Retail Funds are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's 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 the Trilogy Funds Management Limited as Responsible Entity of Trilogy Essential Retail Fund are responsible for the preparation of:

- a) 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:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

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

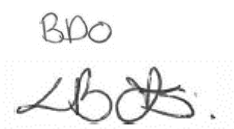
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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



N I Batters
Director

Brisbane, 30 September 2026



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