Appendix 4D

Half year report
for the period ended 31 December 2020

Name of entity	Elanor Retail Property Fund (ERF), a stapled entity comprising Elanor Funds Management Limited as Responsible Entity of Elanor Retail Property Fund I (ERPF I), and Elanor Funds Management Limited as Responsible Entity of Elanor Retail Property Fund II (ERPF II).
ARSN	Elanor Retail Property Fund I 615 291 220
ARSN	Elanor Retail Property Fund II 615 291 284
ABN	Elanor Funds Management Limited 39 125 903 031
Reporting period	Six month period ended 31 December 2020
Previous corresponding period	Six month period ended 31 December 2019

This Half Year Report is given to the ASX in accordance with Listing Rule 4.2A. The Report should be read in conjunction with the attached Interim Financial Report for the half year ended 31 December 2020.

Results for announcement to the market

Financial Performance

A $'000

Revenue from ordinary activities	Down 17.8% to	13,641
Profit/(loss) from ordinary activities attributable to securityholders	Down 84.0% to	956
Net profit/(loss) for the period attributable to securityholders	Down 84.0% to	956
Core Earnings[1]	Down 8.2% to	6,525

Distribution

Current Period	***Amount per unit***	***Tax Deferred***
Interim Distribution [2]	4.84 cents	73%
Previous Corresponding Period:		
Interim Distribution	5.24 cents	46%

Record date for determining entitlement to the Interim Distribution		31 December 2020
Date the Interim Distribution is payable:		5 March 2021
The components of the Interim Distribution comprise:	Trust Distribution:	4.84 cents

Further information on tax components of the distribution will be provided to securityholders with their half yearly distribution statement for the period ending 31 December 2020.

Net Tangible Assets

Current Period	***Current Period***
Net tangible asset backing per security	$1.38
Previous Corresponding Period	
Net tangible asset backing per security	$1.54

Notes:

1. Core Earnings represents the Directors view of underlying earnings from ongoing operating activities for the period, being net profit/(loss) after tax, adjusting for one-off realised items (being formation or other transaction costs that occur infrequently or are outside the course of ongoing business activities), non-cash items (being fair value movements, lease straight-lining and amortisation), determined in accordance with Property Council Guidelines.
2. The Interim Distribution is based on a payout ratio of 95% of Core Earnings.

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Control Gained over Entities during the Period
None.

Control Lost over Entities during the Period.
None.

Details of any associates and Joint Venture entities required to be disclosed:
None.

Accounting standards used by foreign entities
International Financial Reporting Standards.

Audit
The accounts have been subject to a review, with an unqualified conclusion. Refer attached Interim Financial Report.

Distribution Reinvestment Plan (DRP)
There is no DRP in operation for the interim distribution for the half year ended 31 December 2020.

For all other information required by Appendix 4D, please refer to the following documents:

- Directors' Report
- Interim Financial Report

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Elanor | RETAIL PROPERTY FUND

Interim Financial Report

For the half year ended
31 December 2020

Elanor Retail Property Fund

Comprising the stapling of units in Elanor Retail Property Fund I (ARSN 615 291 220) and units in Elanor Retail Property Fund II (ARSN 615 291 284)

Level 38, 259 George Street,
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ELANOR RETAIL PROPERTY FUND

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Directors' Report

The Directors of Elanor Funds Management Limited (Responsible Entity or Manager), as responsible entity of the Elanor Retail Property Fund I and Elanor Retail Property Fund II, present their interim report together with the consolidated interim financial report of Elanor Retail Property Fund (Group, Consolidated Group or Fund) and the consolidated interim financial report of the Elanor Retail Property Fund I (ERPF I Group) for the half year ended 31 December 2020 (period).

The interim financial report of the Consolidated Group comprises Elanor Retail Property Fund II (ERPF II) and its controlled entities, including Elanor Retail Property Fund I (ERPF I) and its controlled entities. The interim financial report of the ERPF I Group comprises Elanor Retail Property Fund I and its controlled entities.

The Responsible Entity is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 38, 259 George Street, Sydney NSW 2000.

ERPF I and ERPF II were registered as managed investment schemes on 13 October 2016. The units of ERPF I and the units of ERPF II are combined and issued as stapled securities in the Group. The Group's securities are traded on the Australian Securities Exchange (ASX: ERF), having listed on 9 November 2016. The units of each scheme cannot be traded separately and can only be traded as stapled securities. Although there is no ownership interest between ERPF I and ERPF II, ERPF II is deemed to be the parent entity of the Group in accordance with the Australian Accounting Standards.

The Directors' report is a combined Directors' report that covers both schemes. The financial information for the Group is taken from the consolidated financial reports and notes.

1. Directors

The following persons have held office as Directors of the Responsible Entity during the period and up to the date of this report:

- Paul Bedbrook (Chair)
- Glenn Willis (Managing Director and Chief Executive Officer)
- Nigel Ampherlaw
- Anthony Fehon
- Lim Kin Song (resigned 25 January 2021)

2. Principal activities

The principal activities of the Fund are the investment in non-discretionary focused neighbourhood and sub-regional shopping centres.

3. Distributions

Distributions relating to the half year ended 31 December 2020 comprise:

Distributions	Half Year Ended 31 December 2020
Interim Distribution	
Amount payable (cents per stapled security)	4.84
Payment Date	5 March 2021

The distribution of 4.84 cents per stapled security for the half year ended 31 December 2020 was not declared prior to 31 December 2020. The distribution was declared on 19 February 2021. Please refer to the calculation of Core Earnings and the Distribution.

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4. Operating and financial review

OVERVIEW AND STRATEGY

The Fund is an externally managed real estate investment fund investing in Australian retail property, focusing on high investment quality neighbourhood and sub-regional shopping centres.

The Fund's objective is to provide investors with strong and growing income returns, and capital growth. To achieve this objective, the Fund's strategy is to:

- Invest in non-discretionary focused retail properties that provide quality earnings from rental income across a diversified retail tenant mix;
- Implement leasing and other asset management initiatives to grow the income and value of the retail properties;
- Acquire additional high investment quality retail properties with a significant component of non-discretionary retailers;
- Implement development and repositioning strategies in the Portfolio; and
- Optimise the capital structure of the Fund based on a conservative approach to gearing.

The Fund will focus on retail assets that provide opportunities for high, risk-adjusted total returns from realising the highest and best use via a repositioning of the centres' retail tenant mix, repositioning existing retail for higher and better use and/or unlocking the assets' development potential.

The Fund's portfolio of non-discretionary focused retail properties:

- Comprises of one 'Value-Add' property, Tweed Mall valued at $84.5 million, which is currently undergoing a repositioning project;
- Comprises of five 'Income Assets', being sub-regional and neighbourhood shopping centres located across NSW, Tasmania and Queensland, with a combined value of $124.7 million;
- Has occupancy of 95.2% at balance date; and
- Generates approximately 47% of its income from major retailers and 47% from specialty retailers.

Impact of the COVID-19 Pandemic on the Fund

Government requirements and health related measures in response to the COVID-19 pandemic have continued since 30 June 2020. Certain restrictions have eased, however the pandemic continues to influence operating and financial conditions across the Australian economy. Despite trading restrictions being lifted, the NSW and TAS governments have extended the National Code of Conduct pertaining to rental relief until 31 March 2021. The QLD government is currently considering extending this code.

As detailed in the 30 June 2020 Annual Financial Report, the Group's 'defensive' shopping centre portfolio has performed well during the COVID-19 pandemic. Given the geographic spread and non-discretionary nature of the ERF portfolio, the ongoing effects of the COVID-19 pandemic continue to be relatively minimal. As at 31 January 2021, 95% of rental billings for the six months ended 31 December 2020 had been collected.

Negotiations are ongoing with certain tenants in respect to COVID-19 related rent relief and deferral arrangements in accordance with the Code of Conduct. For the six months to 31 December 2020, the impact of COVID-19 rental abatements was $0.5 million, representing only 3.6% of Rental Income.

The impacts of COVID-19 on the Fund have also been considered in the determination of the fair value of investment properties. Refer to Note 4 for the key estimates and significant judgements applied as a result of this.

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4. Operating and financial review (continued)

INVESTMENT PORTFOLIO

The valuation of the Group's portfolio of investment properties at 31 December 2020 has remained unchanged since 30 June 2020. On 18 November 2020, the Fund exchanged contracts for the sale of Auburn Central property. The transaction was settled on 23 December 2020 for a gross sales price of $129.5 million.

Consistent with valuations completed at 30 June 2020, independent valuers of the Group's properties have included a statement within their valuation reports noting that in their view, significant valuation uncertainty exists in the current market environment. The significant uncertainty declaration serves as a precaution and does not invalidate the valuation. The Fund will manage this increased uncertainty through active asset management of the investment portfolio, including ongoing detailed engagement with tenants across the portfolio in respect of their business operations and future leasing transactions.

The following table shows the Group's investment portfolio as at balance date:

Property	Location	Type	Carrying Value $'m
Auburn Central	Auburn, NSW	Sub-regional shopping centre	0.0
Tweed Mall	Tweed Heads, NSW	Sub-regional shopping centre	84.5
Manning Mall	Taree, NSW	Sub-regional shopping centre	34.0
Gladstone Square	Gladstone, QLD	Neighbourhood shopping centre	28.0
Moranbah Fair	Moranbah, QLD	Neighbourhood shopping centre	28.0
Glenorchy Plaza	Glenorchy, TAS	Sub-regional shopping centre	18.5
Northway Plaza	Bundaberg, QLD	Neighbourhood shopping centre	16.2
Total investment portfolio			**209.2**

FINANCIAL RESULTS

The Group recorded a statutory profit of $0.96 million for the half year ended 31 December 2020 including valuation movements in the Fund's investment portfolio and the sale of Auburn Central which settled on 23 December 2020.

Core Earnings for the half year were $6.53 million or 5.10 cents per stapled security. Core Earnings is considered by Management to be an appropriate estimate of the underlying recurring cash earnings of the Fund and has been determined in accordance with ASIC Regulatory Guide 230.

A summary of the Group and ERPF I Group's results for the half year to 31 December 2020 is set out below:

Key financial results	Consolidated Group 31 December 2020	ERPF I Group 31 December 2020
Net profit ($'000)	956	(2,516)
Core Earnings ($'000)	6,525	2,988
Distributions payable to securityholders ($'000)[2]	6,198	2,838
Core Earnings per stapled security (cents)	5.10	2.33
Core Earnings per weighted average stapled security (cents)	5.07	2.32
Distributions (cents per stapled security)	4.84	2.22
Net tangible assets ($ per stapled security)	1.38	0.33
Gearing (net debt / total assets less cash) (%)[1]	18.46	0.00

Note 1: The cash proceeds from the sale of Auburn Central was used to repay all external debt facilities held in ERPF I Group resulting in zero Gearing for ERPF I Group.

Note 2: The distribution for the half year ended 31 December 2020 was not declared prior to 31 December 2020.

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4. Operating and financial review (continued)

FINANCIAL RESULTS (CONTINUED)

The table below provides a reconciliation from statutory net profit / (loss) to distributable Core Earnings:

	Consolidated Group 31 December 2020 $'000	ERPF I Group 31 December 2020 $'000
Statutory net profit	**956**	**(2,516)**
Adjustments for items included in statutory profit:		
Fair value adjustments on investment property	(174)	1,253
Straight-lining of rental income[2]	167	167
Amortisation expense[3]	584	471
Sale of Auburn Ambulance Station[4]	1,379	–
Transaction costs[5]	3,613	3,613
Core Earnings[1]	**6,525**	**2,988**

Note 1: Core Earnings has been determined in accordance with ASIC RG 230 and represents the Directors' view of underlying earnings from ongoing operating activities for the period, being net profit / (loss), adjusted for one-off realised items (being formation or other transaction costs that occur infrequently or are outside the course of ongoing business activities), and non-cash items (being fair value movements, amortisation and lease straight-lining).

Note 2: Straight-lining of rental income is a non-cash accounting adjustment recognised in rental income in the Consolidated Statement of Profit or Loss.

Note 3: Amortisation expense includes the amortisation of capitalised leasing costs and debt establishment costs, recognised in rates, taxes and other outgoings, other expenses and borrowing costs in the Consolidated Statement of Profit or Loss.

Note 4: The profit on divestment of Auburn Ambulance Station has been included in Core Earnings for the period. Settlement occurred on 7 August 2020.

Note 5: Transaction costs incurred by the Group through profit and loss related to the divestment of Auburn Central which settled on 23 December 2020. This includes $3.6 million of swap break costs included in Borrowing costs in the Consolidated Statements of Profit or Loss.

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4. Operating and financial review (continued)

SUMMARY AND OUTLOOK

The Fund's core strategy remains focused on actively managing and growing earnings from its defensive investment portfolio, realising value-add opportunities across the portfolio from repositioning strategies, and acquiring additional high investment quality retail properties.

During the half year ended 31 December 2020, the Fund has undertaken the following key activities:

- The sale of Auburn Central was completed for a gross sales price of $129.5 million, following its transformation into a triple-supermarket anchored, metropolitan neighbourhood shopping centre with the introduction of ALDI and Tong Li supermarkets to complement the existing Woolworths supermarket.
- Long term loans of $97.6 million were repaid, resulting in reduction of gearing from 43.7% to 18.5% at balance date
- 839,907 securities were bought of which 674,446 securities were cancelled. Total consideration paid was $1.0 million (an average price of $1.21 per stapled security).
- Trading activity across the Fund's portfolio continues to improve as Government imposed restrictions are relaxed. Portfolio trading occupancy is currently 95.2% (of lettable area).

The risks to the Fund in the coming year primarily comprise potential earnings variability associated with uncertain economic and market conditions related to the COVID-19 pandemic. These risks may result in reduced retailer demand and domestic retail spending, softening of rental growth and increases in required incentives. While general market uncertainty may impact the availability of capital for acquisition opportunities, investment demand for quality assets is expected to remain positive. Other risks include potential related movements in property valuations and possible weather-related events.

These risks to the Fund are mitigated through the active management of the Fund's portfolio. Regular engagement with tenants across the portfolio and ongoing assessments of tenant rental risks, including relevant scenario analysis, are key contributors to the strong performance of the Fund. Further risk mitigants include the broadening of the Fund's tenant mix, ensuring appropriate insurance arrangements are in place and actively managing the Fund's cash position and capital structure.

The Fund is strongly positioned to enhance value for security holders. The active asset management of the portfolio is generating improved operational performance and returns. Furthermore, targeted strategic initiatives to increase the capital value of the Fund are in progress.

5. Value of assets

	Consolidated Group 31 December 2020 $'000
Value of total assets	237,679
Value of net assets	176,680

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6. Interest in the Group

The movement in stapled securities of the Group during the period is set out below:

	Consolidated Group 31 December 2020	Consolidated Group 30 June 2020	ERPF I Group 31 December 2020	ERPF I Group 30 June 2020
Stapled securities on issue at the beginning of the period	128,729,755	128,729,755	128,729,755	128,729,755
Stapled securitites cancelled through security buy-back scheme	(674,446)	–	(674,446)	–
Stapled securities on issue at the end of the period	**128,055,309**	**128,729,755**	**128,055,309**	**128,729,755**

7. Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001 (Cth), is included on the page following the Directors' Report.

8. Events occurring after reporting date

Subsequent to period end, a distribution of 4.84 cents per stapled security has been declared by the Board of Directors. The Fund has also acquired an additional 122,030 securities for a total consideration of $0.1 million, all of which have been cancelled.

Other than the above, the Directors of the Responsible Entity are not aware of any other matter since the end of the period that has or may significantly affect the operations of the Group, the result of those operations, or the state of the Group's affairs in future financial periods that are not otherwise referred to in this Directors' Report.

9. Rounding of amounts to the nearest thousand dollars

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission, amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

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

Signed in accordance with a resolution of the Directors.

Paul Bedbrook
Chairman

Glenn Willis
CEO and Managing Director

Sydney, 19 February 2021

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Auditor's Independence Declaration

As lead auditor for the review of Elanor Retail Property Fund I and Elanor Retail Property Fund II for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Elanor Retail Property Fund II and the entities it controlled during the period.

Bianca Buckman
Partner

Sydney
19 February 2021

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ELANOR RETAIL PROPERTY FUND

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated Group 31 December 2020 $'000	Consolidated Group 31 December 2019 $'000	ERPF I Group 31 December 2020 $'000	ERPF I Group 31 December 2019 $'000
Income					
Rental income	2	12,543	15,073	9,331	9,621
Outgoings		1,068	1,517	915	1,388
Interest income		–	3	–	2
Net fair value increment on investment properties		174	–	–	–
Total income		**13,785**	**16,593**	**10,246**	**11,011**
Expenses					
Rates, taxes and other outgoings		4,685	4,925	3,413	3,657
Borrowing costs	5	5,694	2,921	6,617	3,363
Investment management fees	6	1,234	1,788	807	1,154
Other expenses		1,216	742	672	523
Net fair value decrement on investment properties		–	246	1,253	246
Total expenses		**12,829**	**10,622**	**12,762**	**8,943**
Net profit / (loss) for the period		**956**	**5,971**	**(2,516)**	**2,068**
Attributable to securityholders of:					
- Elanor Retail Property Fund II		3,472	3,903	–	–
- Elanor Retail Property Fund I (Non-controlling interest)		(2,516)	2,068	(2,516)	2,068
Net profit / (loss) for the period		**956**	**5,971**	**(2,516)**	**2,068**
Basic earnings per stapled security (cents)		0.74	4.64	(1.95)	1.61
Diluted earnings per stapled security (cents)		0.74	4.64	(1.95)	1.61

The above Consolidated Statements of Profit or Loss should be read in conjunction with the accompanying notes

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ELANOR RETAIL PROPERTY FUND

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Consolidated Group 31 December 2020 $'000	Consolidated Group 31 December 2019 $'000	ERPF I Group 31 December 2020 $'000	ERPF I Group 31 December 2019 $'000
Net profit / (loss) for the period	**956**	**5,971**	**(2,516)**	**2,068**
Other comprehensive income				
Items that may be reclassified to profit and loss				
Gain / (loss) on revaluation of cash flow hedge	4,040	511	4,145	310
Other comprehensive income / (loss) for the period	4,040	511	4,145	310
Total comprehensive income / (loss) for the period	**4,996**	**6,482**	**1,629**	**2,378**
Attributable to securityholders of:				
- Elanor Retail Property Fund II	3,367	4,104	–	–
- Elanor Retail Property Fund I (Non-controlling interest)	1,629	2,378	1,629	2,378
Total comprehensive income / (loss) for the period	**4,996**	**6,482**	**1,629**	**2,378**

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes

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ELANOR RETAIL PROPERTY FUND

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated Group 31 December 2020 $'000	Consolidated Group 30 June 2020 $'000	ERPF I Group 31 December 2020 $'000	ERPF I Group 30 June 2020 $'000
Current assets					
Cash and cash equivalents		14,879	4,003	2,461	3,071
Receivables		12,293	1,830	892	1,186
Other current assets		54	169	54	112
Prepayments		212	624	212	447
Assets held for sale		–	4,000	–	–
Total current assets		**27,438**	**10,626**	**3,619**	**4,816**
Non-current assets					
Receivables		1,041	–	–	–
Investment properties	4	209,200	317,197	209,200	209,197
Total non-current assets		**210,241**	**317,197**	**209,200**	**209,197**
Total assets		**237,679**	**327,823**	**212,819**	**214,013**
Current liabilities					
Payables		4,148	4,486	1,215	3,470
Rent received in advance		550	674	550	519
Derivative financial instruments		122	1,689	–	1,626
Total current liabilities		**4,820**	**6,849**	**1,765**	**5,615**
Non-current liabilities					
Interest bearing liabilities	5	56,016	145,620	–	96,477
Interest bearing cross-staple loan		–	–	168,409	67,949
Derivative financial instruments		163	2,636	–	2,519
Total non-current liabilities		**56,179**	**148,256**	**168,409**	**166,945**
Total liabilities		**60,999**	**155,105**	**170,174**	**172,560**
Net assets		**176,680**	**172,718**	**42,645**	**41,453**
Equity					
Equity Holders of Parent Entity					
Contributed equity		89,819	90,421	65,675	66,116
Reserves		(240)	(135)	32	(4,113)
Retained profits / (accumulated losses)		44,456	40,979	(23,062)	(20,550)
Parent entity interest		**134,035**	**131,265**	**42,645**	**41,453**
Equity Holders of Non-Controlling Interest					
Contributed equity		65,675	66,116	–	–
Reserves		32	(4,113)	–	–
Retained profits / (accumulated losses)		(23,062)	(20,550)	–	–
Non-controlling interest		**42,645**	**41,453**	**–**	**–**
Total equity attributable to stapled securityholders:					
- Elanor Retail Property Fund II		134,035	131,265	–	–
- Elanor Retail Property Fund I		42,645	41,453	42,645	41,453
Total equity		**176,680**	**172,718**	**42,645**	**41,453**

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes

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ELANOR RETAIL PROPERTY FUND

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Contributed Equity	Cash flow Hedge Reserve	Security Based Payment Reserve	Retained Profits/ (Accumulated Losses)	Parent Entity Total Equity	Non-Controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated Group							
Total equity at 1 July 2020	90,421	(180)	45	40,979	131,265	41,453	172,718
Profit / (loss) for the period	–	–	–	3,472	3,472	(2,516)	956
Other comprehensive income / (expense) for the period	–	(105)	–	–	(105)	4,145	4,040
Total comprehensive income / (expense) for the period	–	(105)	–	3,472	3,367	1,629	4,996
Transactions with owners in their capacity as owners:							
Security buy-back	(602)	–	–	5	(597)	(437)	(1,034)
Total equity at 31 December 2020	**89,819**	**(285)**	**45**	**44,456**	**134,035**	**42,645**	**176,680**
Consolidated Group							
Total equity at 1 July 2019	90,421	(483)	40	39,410	129,388	68,062	197,450
Profit / (loss) for the period	–	–	–	3,903	3,903	2,068	5,971
Other comprehensive income / (expense) for the period	–	201	–	–	201	310	511
Total comprehensive income / (expense) for the period	**–**	**201**	**–**	**3,903**	**4,104**	**2,378**	**6,482**
Transactions with owners in their capacity as owners:							
Security-based payments	–	–	5	–	5	4	9
Distributions paid	–	–	–	(2,717)	(2,717)	(2,858)	(5,575)
Total equity at 31 December 2019	**90,421**	**(282)**	**45**	**40,596**	**130,780**	**67,586**	**198,366**

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes

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ELANOR RETAIL PROPERTY FUND

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Contributed Equity $'000	Cash flow Hedge Reserve $'000	Security Based Payment Reserve $'000	Retained Profits/ (Accumulated Losses) $'000	Total Equity $'000
ERPF I Group					
Total equity at 1 July 2020	66,116	(4,147)	34	(20,550)	41,453
Profit / (loss) for the period	–	–	–	(2,516)	(2,516)
Other comprehensive income / (expense) for the period	–	4,145	–	–	4,145
Total comprehensive income / (expense) for the period	**–**	**4,145**	**–**	**(2,516)**	**1,629**
Transactions with owners in their capacity as owners:					
Security buy-back	(441)	–	–	4	(437)
Total equity at 31 December 2020	**65,675**	**(2)**	**34**	**(23,062)**	**42,645**
ERPF I Group					
Total equity at 1 July 2019	66,116	(3,391)	30	5,307	68,062
Profit / (loss) for the period	–	–	–	2,068	2,068
Other comprehensive income / (expense) for the period	–	310	–	–	310
Total comprehensive income / (expense) for the period	**–**	**310**	**–**	**2,068**	**2,378**
Transactions with owners in their capacity as owners:					
Security-based payments	–	–	4	–	4
Distributions paid	–	–	–	(2,859)	(2,859)
Total equity at 31 December 2019	**66,116**	**(3,081)**	**34**	**4,516**	**67,585**

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes

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ELANOR RETAIL PROPERTY FUND

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Consolidated Group 31 December 2020 $'000	Consolidated Group 31 December 2019 $'000	ERPF I Group 31 December 2020 $'000	ERPF I Group 31 December 2019 $'000
Cash flows from operating activities				
Rental and other property income received	15,227	16,104	11,363	12,132
Interest received	–	3	–	2
Finance costs paid	(2,081)	(2,850)	(3,004)	(3,309)
Payments to suppliers and the Responsible Entity	(9,155)	(7,620)	(7,851)	(5,714)
Net cash inflow from operating activities	**3,991**	**5,637**	**508**	**3,111**
Cash flows from investing activities				
Receipts from disposals of investment properties	115,022	–	–	–
Payments for additions to investment properties	(13,888)	(3,376)	(1,440)	(2,528)
Net cash inflow/(outflow) from investing activities	**101,134**	**(3,376)**	**(1,440)**	**(2,528)**
Cash flows from financing activities				
Proceeds from interest bearing liabilities	10,037	3,597	100,848	3,094
Distributions paid	–	(5,575)	–	(2,859)
Security buy-back	(1,032)	–	(436)	–
Swap break costs	(3,613)	–	(3,613)	–
Payment of interest bearing liabilities	(99,641)	–	(96,477)	–
Net cash inflow/(outflow) from financing activities	**(94,249)**	**(1,978)**	**322**	**235**
Net increase/(decrease) in cash and cash equivalents	10,876	283	(610)	818
Cash and cash equivalents at the beginning of the period	4,003	4,171	3,071	3,134
Cash at the end of the period	**14,879**	**4,454**	**2,461**	**3,952**

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes

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About this Report

Elanor Retail Property Fund (the Fund, Group or Consolidated Group) is a 'stapled' entity comprising of Elanor Retail Property Fund I (ERPF I) and its controlled entities, and Elanor Retail Property Fund II (ERPF II) and its controlled entities. The units in ERPF I are stapled to units in ERPF II. The stapled securities cannot be traded or dealt with separately. The stapled securities of the Fund were listed on the Australian Securities Exchange (ASX:ERF) on 9 November 2016 (IPO transaction).

For the purposes of the consolidated financial report, ERPF II has been deemed the parent entity of ERPF I in the stapled structure. The financial report of the Fund comprises the consolidated financial report of Elanor Retail Property Fund II and its controlled entities, including Elanor Retail Property Fund I and its controlled entities (ERPF I Group). As permitted by ASIC Corporations (Stapled Group Reports) Instrument 2015/838, this report is a combined report that presents the consolidated financial statements and accompanying notes of both the Fund and ERPF I Group.

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001, the Fund Constitution and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Fund during the half year ended 31 December 2020 in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, and the adoption of new and amended standards as set out below:

(a) New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Basis of consolidation

The consolidated financial report of the Fund incorporates the assets and liabilities of ERPF II (the Parent) and all of its subsidiaries, including ERPF I and its subsidiaries as at 31 December 2020. ERPF II is the parent entity in relation to the stapling. The results and equity of ERPF I (which is not directly owned by ERPF II) have been treated and disclosed as a non-controlling interest. Whilst the results and equity of ERPF I are disclosed as a non-controlling interest, the stapled securityholders of ERPF I are the same as the stapled securityholders of ERPF II.

This consolidated financial report also includes a separate column representing the financial report of ERPF I, incorporating the assets and liabilities of ERPF I and all of its subsidiaries, as at 31 December 2020.

For the purpose of preparing the financial statements, the Fund is a for-profit entity. The financial report is presented in Australian Dollars.

Rounding of amounts to the nearest thousand dollars

In accordance with Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission, amounts in the financial statements have been rounded to the nearest thousand dollar, unless otherwise indicated.

ELANOR RETAIL PROPERTY FUND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The notes to the consolidated financial statements have been organised into the following four sections:

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Results

This section focuses on the operating results and financial performance of the Fund. It includes disclosures of revenue and distributions.

1. Segment information

OVERVIEW

The Fund only operates in one business segment, being the investment in retail shopping centres in Australia.

2. Revenue

OVERVIEW

The Fund's main source of revenue is rental income from its investment in retail shopping centres.

(a) Rental income

	Consolidated Group 31 December 2020 $'000	Consolidated Group 31 December 2019 $'000	ERPF I Group 31 December 2020 $'000	ERPF I Group 31 December 2019 $'000
Tweed Mall	3,241	3,641	3,241	3,641
Auburn Central[1]	3,212	5,454	–	–
Manning Mall	1,542	1,552	1,542	1,552
Gladstone Square	1,499	1,224	1,499	1,224
Glenorchy Plaza	909	924	909	925
Moranbah Fair	1,429	1,529	1,429	1,529
Northway Plaza	711	749	711	750
Total revenue from operating activities	**12,543**	**15,073**	**9,331**	**9,621**

(1) The Rental Income for Auburn Central for the six months ended 31 December 2020 represents earnings up to 23 December 2020, when the sale of the asset was settled. In the half year ended 31 December 2019, the Rental Income included a one-off BIG W early surrender fee of $1.8 million.

Outgoings have been presented separately in the Consolidated Statements of Profit or Loss which were previously included in Rental income in the Financial Statements for the half year ended 31 December 2019. This update enhances the disclosure regarding Revenue and gives the users of the Financial Statement more information and a better understanding of the financial performance of the Fund.

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3. Distributions

OVERVIEW

In accordance with the Fund's Constitutions, the Responsible Entity determines Core Earnings attributable to securityholders as the net profit for the half year, excluding certain non-recurring and non-cash items.

The Fund aims to distribute between 90% and 100% of Core Earnings each year.

(a) Distributions during the half year

Consolidated Group

The following distributions were declared by the Consolidated Group in respect of the half-year ended 31 December 2020:

	Distribution 31 December 2020 cents per stapled security	Distribution 31 December 2019 cents per stapled security	Total amount 31 December 2020 $'000	Total amount 31 December 2019 $'000
Distribution for the period	4.84	5.24	6,198	6,748
Total	**4.84**	**5.24**	**6,198**	**6,748**

(1) The distribution of 4.84 cents per stapled security for the half-year ended 31 December 2020 was not declared prior to 31 December 2020. The distribution was declared on 19 February 2021. Please refer to the Director's Report for the calculation of Core Earnings and the Distribution.

ERPF I Group

The following distributions were declared by the ERPF I Group in respect of the half-year ended 31 December 2020:

	Distribution 31 December 2020 cents per stapled security	Distribution 31 December 2019 cents per stapled security	Total amount 31 December 2020 $'000	Total amount 31 December 2019 $'000
Distribution for the period	2.22	2.13	2,838	2,736
Total	**2.22**	**2.13**	**2,838**	**2,736**

(1) The distribution of 2.22 cents per unit for the half-year ended 31 December 2020 was not declared prior to 31 December 2020. The distribution was declared on 19 February 2021. Please refer to the Director's Report for the calculation of Core Earnings and the Distribution.

Security buy-back:

On 8 December 2020, the Fund announced its intention to commence an on market buy-back program of up to 10% of securities on issue. The securities buy-back commenced on 22 December 2020.

As at 31 December 2020, 839,907 securities were bought of which 674,446 securities were cancelled. Total consideration paid was $1.0 million (an average price of $1.21 per stapled security).

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Operating Assets

This section includes information about the assets used by the Fund to generate profits and revenue, specifically information relating to its investment properties.

4. Investment properties

OVERVIEW

Investment properties are held solely for the purpose of earning rental income and / or for capital appreciation. At balance date, the Fund's investment property portfolio comprises six retail shopping centres in Australia. Both independent and internal valuations were performed as at 31 December 2020.

The Fund obtained both independent valuations and internal valuations at balance sheet date. Internal valuations were prepared on both discounted cash flow and income capitalisation valuation methodologies. The property valuations were completed using detailed forecasts prepared by the Fund's asset management teams.

Refer to the 30 June 2020 Annual Financial Report for detailed accounting policies and the valuation techniques applied.

(a) Carrying values of investment properties

	Valuation	Date	Consolidated Group 31 December 2020 $'000	Consolidated Group 30 June 2020 $'000	ERPF I Group 31 December 2020 $'000	ERPF I Group 30 June 2020 $'000
Tweed Mall	Independent	Dec-20	84,500	84,500	84,500	84,500
Auburn Central	Sold	Dec-20	–	108,000	–	–
Manning Mall	Internal	Dec-20	34,000	34,000	34,000	34,000
Gladstone Square	Independent	Dec-20	28,000	28,000	28,000	28,000
Moranbah Fair	Independent	Dec-20	28,000	27,997	28,000	27,997
Glenorchy Plaza	Internal	Dec-20	18,500	18,500	18,500	18,500
Northway Plaza	Internal	Dec-20	16,200	16,200	16,200	16,200
Total investment properties			**209,200**	**317,197**	**209,200**	**209,197**

On 18 November 2020, the Fund exchanged contracts for the sale of the Auburn Central property. The transaction was settled on 23 December 2020 for a gross sales price of $129.5 million.

Investment properties are categorised as level 3 in the fair value hierarchy. There were no transfers between hierarchies during the period.

(b) Movement in investment properties

	Consolidated Group 31 December 2020 $'000	Consolidated Group 30 June 2020 $'000	ERPF I Group 31 December 2020 $'000	ERPF I Group 30 June 2020 $'000
Opening Balance	317,197	334,518	209,197	230,494
Capital expenditure	13,888	8,726	1,440	3,524
Net fair value adjustments	174	(21,602)	(1,253)	(24,722)
Reclassification	–	(4,000)	–	–
Amortisation	(114)	(251)	(17)	(40)
Straightlining of rental income	(167)	(194)	(167)	(59)
Disposals	(121,778)	–	–	–
Total investment properties	**209,200**	**317,197**	**209,200**	**209,197**

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4. Investment properties (continued)

(c) Fair value measurement

Highest and best use

For all investment properties, the current use equates to the highest and best use.

Fair value hierarchy and valuation techniques

The fair value measurement for investment properties has been categorised as Level 3 fair value based on the key inputs to the valuation techniques. Key valuation assumptions including capitalisation rates, terminal yields and discount rates were determined based on comparable market evidence and valuation parameters determined in external valuations completed for comparable properties.

Refer to the 30 June 2020 Annual Financial Report for detailed explanations of the significant unobservable inputs.

Valuation Techniques	Significant unobservable inputs	Range	Weighted average
Discounted cash flows – involves the projection of a series of inflows and outflows to which a market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property.	Adopted discount rate	7.75% - 9.00%	8.09%
	Adopted terminal yield	7.25% - 8.25%	7.68%
	Net property income (per sqm)	$157 - $342	$265
Capitalisation method – involves determining the net market income of the investment property. This net market income is then capitalised at the adopted capitalisation rate to derive a core value.	Adopted capitalisation rate	7.00% - 8.00%	7.43%

The outbreak of the COVID-19 pandemic continued to impact on the uncertainty in the retail property sector. Considering the continued uncertainty created by the pandemic, the Fund independently valued three assets representing 67% of the retail assets by value at 31 December 2020. The remaining three assets were valued internally. Across the independent and internal valuations, valuers adopted a range of adjustments to reflect the shorter-term impact of the pandemic. Property specific adjustments such as increases in vacancy periods, increases in operating costs, reductions in lease income to reflect the allowance for lease abatements under the Code of Conduct, reduction in renewal assumptions on expiry of existing leases and changes to growth rates were made. These assumptions were generally applied over a forward-looking period of between 6 months and 2 years by the external valuers.

All the external valuations obtained indicated that their valuation reports are subject to material uncertainty. The valuations have been certified as appropriate at the valuation date of 31 December 2020, however, due to current uncertainty in the market, valuations may change materially after the valuation date as new information comes to light.

All the relevant information available at 31 December 2020 has been incorporated in determining the fair value of the Fund's investment properties, including relevant market information between 31 December 2020 and the date of approval of the Fund's financial statements. No additional information after balance date had an impact on the fair value of the Fund's investment properties reported at 31 December 2020.

The following sensitivity analysis has been prepared to illustrate the exposure of the fair value of the investment property balance at 31 December to changes in the key drivers most impacted by the current market uncertainty. Significant unobservable inputs such as discount and capitalisation rates, and terminal yields may be impacted by market movement after 31 December 2020. While it is unlikely that the significant assumptions would move in isolation, these sensitivities have been performed independently to illustrate the impact each individual assumption has on fair value.

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4. Investment properties (continued)

(c) Fair value measurement (continued)

Sensitivity Analysis

The key unobservable inputs to measure the fair value of investment properties are disclosed below.

	Fair value measurement sensitivity			
	Increase by 0.25% $'000	Decrease by 0.25% $'000	Increase by 0.25% %	Decrease by 0.25% %
Discount rate (%)	(3,711)	3,789	(1.8%)	1.8%
Terminal yield (%)	(3,911)	4,089	(1.9%)	2.0%
Capitalisation rate (%)	(7,600)	7,500	(3.6%)	3.6%

Finance Structure

This section provides further information on the Fund's debt structure.

5. Interest bearing liabilities

OVERVIEW

The Fund has access to a combined $66.7 million debt facilities. The drawn amount at 31 December 2020 was $56.0 million after repayments made with the proceeds from the sale of Auburn Central. The weighted average debt facility maturity is 1.4 years. At 31 December 2020, the interest rate risk of drawn facilities is hedged to 74.4%.

	Consolidated Group 31 December 2020 $'000	Consolidated Group 30 June 2020 $'000	ERPF I Group 31 December 2020 $'000	ERPF I Group 30 June 2020 $'000
Non-current				
Bank loan - term debt	56,049	145,825	–	96,639
Borrowing costs less amortisation	(33)	(205)	–	(162)
Total non-current interest bearing liabilities	**56,016**	**145,620**	**–**	**96,477**
Cross-staple loan	–	–	168,409	67,949
Total interest bearing liabilities	**56,016**	**145,620**	**168,409**	**164,426**

During the half year ended 31 December 2020, the Fund repaid long term loans of $97.6 million which included breaking two interest rate swaps. Total swap break costs incurred amounted to $3.6 million and has been included in Borrowing Cost in the Consolidated Statements of Profit and Loss.

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Other Items

This section provides information that is not directly related to the specific line items in the financial statements, including information about contingent liabilities and events after the end of the reporting period.

6. Related parties

OVERVIEW

Related parties are persons or entities that are related to the Fund as defined by AASB 124 Related Party Disclosures. This note provides information about transactions with related parties during the half year.

(a) Key management personnel

Responsible Entity

Elanor Funds Management Limited is the Responsible Entity of the Fund, and is the key management personnel (KMP) of the Fund.

Directors of the Responsible Entity

The Directors of Elanor Funds Management Limited are:

Paul Bedbrook (Chair)
Glenn Willis (Managing Director and Chief Executive Officer)
Nigel Ampherlaw
Anthony Fehon
Lim Kin Song (resigned 25 January 2021)

Other Management Personnel

In addition to the directors, the following persons were Management Personnel of the Responsible Entity with the authority for the strategic direction of the Fund:

Michael Baliva – Fund Manager
Symon Simmons – Chief Financial Officer
Paul Siviour – Chief Operating Officer

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6. Related parties (continued)

Remuneration of Management Personnel

Compensation is paid to the Responsible Entity in the form of fees and is disclosed below. No other amounts are paid by the Fund directly or indirectly to the Management Personnel for services provided to the Fund.

The Directors of the Responsible Entity and other management personnel are paid by the Responsible Entity. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Consequently, no compensation as defined in AASB 124 Related Party Disclosures, is paid by the Fund to its Management Personnel, other than that paid to the Responsible Entity.

Related party disclosure

During the period, fees were incurred by the Fund to Elanor Investors Group and its controlled entities, in accordance with the Constitution of each Scheme, including management fees, accrued performance fee and cost recoveries.

Fees paid to Elanor Investors Group and its controlled entities:	Consolidated Group 31 December 2020	Consolidated Group 31 December 2019	ERPF I Group 31 December 2020	ERPF I Group 31 December 2019
Management fees	1,069,992	1,122,118	700,235	770,215
Accrued performance fee	163,765	665,832	106,447	383,801
Total investment management fees	1,233,757	1,787,950	806,682	1,154,016
Other	199,627	99,541	171,109	85,320
Total	**1,433,384**	**1,887,491**	**977,791**	**1,239,336**

Related party holdings

Key Management Personnel and other Management Personnel of the Responsible Entity and of its related entities may hold investments in the Fund. Such investments were purchased on normal commercial terms and were at arm's length. The number of securities held by Key Management Personnel and other Management Personnel are as follows:

	Stapled Securities 31 December 2020	Stapled Securities 30 June 2020
Investments held by Elanor Investment Trust	23,026,082	23,026,082
Investments held by Directors and other Management Personnel	797,391	828,641
Total	**23,823,473**	**23,854,723**

Cross-Staple Loan

On 9 November 2016, as part of the internal funding structure on listing of the Fund, ERPF I entered into a 10 year interest-bearing loan with ERPF II at arm's length commercial terms. As at 31 December 2020, the outstanding loan balance payable to ERPF II was $168.4 million ($67.9 million as at 30 June 2020).

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7. Unrecognised items

OVERVIEW

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

(a) Contingent liabilities

The Directors are not aware of any material contingent liabilities of the Fund (30 June 2020: nil).

(b) Commitments

The Fund, including ERPF I Group, has capital commitments of $1.6 million (30 June 2020: $8.95 million) in respect of capital expenditures contracted at the date of the statements of financial position.

8. Subsequent events

On 19 February 2021, a distribution of 4.84 cents per stapled security has been declared by the Board of Directors.

As at 19 February 2021, the Fund has acquired additional 122,030 securities for a total consideration of $0.1 million, all of which have been cancelled.

Other that the above, since the end of the period, the Directors are not aware of any other matter or circumstance not otherwise dealt with in the financial reports or the Directors' Report that has significantly affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in financial periods subsequent to the half year ended 31 December 2020.

9. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount 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 prospectively.

In preparing the consolidated financial statements for the half year ended 31 December 2020, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is consistent with those disclosed in the financial report of the previous financial year.

COVID-19 Pandemic

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of the financial statements. This uncertainty is associated with the extent and duration of the economic disruption to business arising from the response of government, businesses and consumers in response to the COVID-19 pandemic.

The impact of the COVID-19 pandemic has heightened uncertainty in applying accounting estimates and critical judgments for the period ended 31 December 2020. As a result, additional external expertise and information has been utilised in reviewing and assessing key areas of judgement, particularly in respect of the fair value measurement of investments and the impairment testing of assets.

In response to the recent market volatility, the appropriateness of the inputs to the valuation of the Fund's investment properties (including vacancy allowances, lease renewal probabilities, levels of leasing incentives and market rent growth assumptions), and the impact of any changes in these inputs have been considered in detail in both independent and internal property valuations (including relevant sensitivity analysis) with respect to the fair value hierarchies. The Fund's portfolio of investment properties has been appropriately valued at balance date. Refer to Note 4 for further information.

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9. Critical accounting estimates and judgements (continued)

The recoverability of the Fund's rent receivables has been assessed in detail. This assessment has been completed by the Fund's asset management team in conjunction with the property manager for each asset through the review of expected or requested waivers and deferrals of rent, assessment of each tenants' financial situation and the outstanding debtor ageing balance. Regular tenant engagement continues, with information provided by tenants in response to requests for rental relief under the Code of Conduct (including financial information and JobKeeper eligibility information) utilised in recoverability assessments.

For the six months to 31 December 2020, the impact of COVID-19 rental abatements was $0.5 million, representing only 3.6% of Rental Income. At balance date, the Fund holds a total provision of $0.8 million for COVID-19 related rental relief requests. This provision reflects the amount of tenant rental arrears at balance date that is likely to be waived in respect of past occupancy and also includes any additional amount relating to arrears at balance date that has been assessed to have credit risk in respect of the financial position of the tenant.

There have been no other significant changes in the types of financial risks or the Fund's risk management program (including methods used to measure the risks). Refer to the 30 June 2020 Annual Financial Report for further details on the Fund's financial risk management including market risk, interest rate risk and credit risk.

ELANOR RETAIL PROPERTY FUND

DIRECTORS' DECLARATION TO STAPLED SECURITYHOLDERS

In the opinion of the Directors of Elanor Funds Management Limited as responsible entity for Elanor Retail Property Fund I and Elanor Retail Property Fund II:

(a) the financial statements and notes set out on pages 10 to 27 are in accordance with the Corporations Act 2001 (Cth), including:

i. complying with Australian Accounting Standards, the *Corporations Regulations* 2001 and other mandatory professional reporting requirements; and

ii. giving a true and fair view of the Consolidated Group's and ERPF I Group's financial position as at 31 December 2020 and of their performance, for the financial half year ended on that date; and

(b) there are reasonable grounds to believe that the Consolidated Group and the ERPF I Group will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors in accordance with Section 303(5) of the *Corporations Act 2001* (Cth).



Glenn Willis
CEO and Managing Director

Sydney, 19 February 2021

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Independent auditor's review report to the stapled security holders of Elanor Retail Property Fund II and Elanor Retail Property Fund I

Report on the half-year financial reports

Conclusion

We have reviewed the half-year financial report of:

- Elanor Retail Property Fund II (the Registered Scheme) and the entities it controlled during the half-year (together the Consolidated Group), and
- Elanor Retail Property Fund I and the entities it controlled during the half year (ERPF I Group)

which comprise the consolidated statements of financial position as at 31 December 2020, the consolidated statements of comprehensive income, consolidated statements of profit or loss, consolidated statements of changes in equity and consolidated statements of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Consolidated Group and ERPF II Group does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the financial positions of the Consolidated Group and ERPF II Group as at 31 December 2020 and of their performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Consolidated Group and ERPF II Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Responsibility of the directors of the Responsible Entity for the half-year financial report

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

Auditor's responsibility for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the financial positions of the Consolidated Group and ERPF I Group as at 31 December 2020 and of their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Bianca Buckman
Partner

Sydney
19 February 2021