

Spire Multifamily Growth and Income Fund

ARSN 646 054 319

Annual report

For the year ended 30 June 2022

Spire Multifamily Growth and Income Fund

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Annual report

For the year ended 30 June 2022

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Independent auditor's report to the unit holders of Spire Multifamily Growth and Income Fund

This annual report covers Spire Multifamily Growth and Income Fund as an individual entity.

The Responsible Entity of Spire Multifamily Growth and Income Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street
Melbourne NSW 3000.

Spire Multifamily Growth and Income Fund
Directors' report
30 June 2022

Directors' report

The Directors of Equity Trustees Limited, the Responsible Entity of Spire Multifamily Growth and Income Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2022.

Principal Activities

The Fund was constituted on 13 November 2020, registered with the Australian Securities and Investments Commission on 2 December 2020 and commenced operations on 30 April 2021.

The Fund invests in Underlying Funds, Underlying ETF and cash in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The Fund is an unlisted registered managed investment scheme, incorporated and domiciled in Australia. The principal activity of the Fund is to invest in a range of assets through segregated unit trusts.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Spire Capital Pty Ltd
Custodian	Equity Trustees Limited
Administrator	Unity Fund Services Pty Ltd
Statutory Auditor / Tax Compliance	KPMG

Directors

The following persons held office as Directors of Equity Trustees Limited during or since the end of the period and up to the date of this report:

Name	Title
Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'Connor	(appointed on 24 May 2022)

Spire Multifamily Growth and Income Fund
Directors' report
30 June 2022
(continued)

Directors' report (continued)

Review and results of operations

During the year, the Fund invested its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 23.55% (net of fees) for the year ended 30 June 2022. The Fund does not operate against a benchmark.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended 30 June 2022	Period ended 30 June 2021
Profit/(loss) before finance costs attributable to unit holders for the year (\$)	10,199,226	(34,567)
Founders (AUD) Hedged Class		
Distributions paid and payable (\$)	1,757,731	-
Distributions (cents per unit)	2.9611	-
Founders (AUD) Unhedged Class		
Distributions paid and payable (\$)	-	-
Distributions (cents per unit)	-	-

Significant changes in state of affairs

Mary A O'Connor was appointed as a director of Equity Trustees Limited on 24 May 2022.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may have a significant effect on:

- i. the operations of the Fund in future financial years; or
- ii. the results of those operations in future financial years; or
- iii. the state of affairs of the Fund in future financial years.

Directors' report (continued)

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 16 to the financial statements.

No fees were paid out of Fund property to the Directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 16 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 9 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the Statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

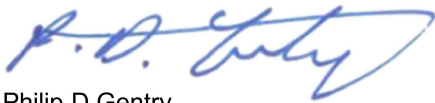
Spire Multifamily Growth and Income Fund
Directors' report
30 June 2022
(continued)

Directors' report (continued)

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 5.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
29 September 2022



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Equity Trustees Limited, the Responsible Entity of Spire
Multifamily Growth and Income Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of Spire Multifamily Growth and Income Fund for the financial period ended 30 June 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Malcolm Kafer

Partner

Sydney

29 September 2022

Spire Multifamily Growth and Income Fund
Statement of comprehensive income
For the year ended 30 June 2022

Statement of comprehensive income

	Note	For the year ended 30 June 2022 \$	For the period 2 December 2020 to 30 June 2021 \$
Investment Income			
Dividend and distribution income		1,500,153	-
Net foreign exchange (loss)/gain		(101,234)	8,050
Net gains/(losses) on financial instruments at fair value through profit/(loss)		9,435,906	(8,448)
Other income		3,598	-
Total investment income/(loss)		10,838,423	(398)
Expenses			
Management fees	16	237,829	1,010
Custody and administration fees		77,623	9,292
Remuneration of auditors	15	27,596	21,476
Transaction costs		269,508	286
Other tax services		26,641	2,105
Total expenses		639,197	34,169
Profit/(loss) before finance cost attributable to unit holders for the year		10,199,226	(34,567)
Finance costs attributable to unit holders			
Distributions to unit holders	10	(1,757,731)	-
(Increase)/decrease in net assets attributable to unitholders	9	(8,441,495)	34,567
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		-	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Spire Multifamily Growth and Income Fund
Statement of financial position
As at 30 June 2022

Statement of financial position

		As at	
	Note	30 June 2022 \$	30 June 2021 \$
Assets			
Cash and cash equivalents	11	547,888	1,464,446
Receivables	13	1,407,260	12,336
Prepayments		13,812	-
Financial assets at fair value through profit or loss	5	81,041,334	289,056
Margin accounts		2,339,341	-
Total assets		85,349,635	1,765,838
Liabilities			
Distribution Payable		1,386,952	-
Withholding tax payable		42	-
Payables	14	180,481	33,909
Financial liabilities at fair value through profit or loss	6	3,237,121	79,496
Total liabilities (excluding net assets attributable to unit holders)		4,804,596	113,405
Net assets attributable to the unit holders - liability	9	80,545,039	1,652,433

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

Spire Multifamily Growth and Income Fund
Statement of changes in equity
For the year ended 30 June 2022

Statement of changes in equity

	Note	For the year ended 30 June 2022	For the period 2 December 2020 to 30 June 2021
		\$	\$
Total equity at the beginning of the year		-	-
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-
Transactions with owners in their capacity as owners		-	-
Total equity at the end of the year		-	-

* Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result there was no equity at the start or end of the financial year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Spire Multifamily Growth and Income Fund
Statement of cash flows
For the year ended 30 June 2022

Statement of cash flows

	Note	For the year ended 30 June 2022 \$	For the period 2 December 2020 to 30 June 2021 \$
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit/(loss)		1,005,311	-
Payments for purchase of financial instruments at fair value through profit/(loss)		(69,164,058)	(283,709)
Net movement in margin accounts		(2,339,341)	-
Dividends and distributions received		113,159	-
Interest income received		823	-
Other income received		1,559	-
Other expenses paid		(513,151)	(12,582)
Net cash inflow/(outflow) from operating activities	12	(70,895,698)	(296,291)
Cash flows from financing activities			
Proceeds from applications by unitholders		73,507,091	1,687,000
Payments for redemptions by unitholders		(3,055,980)	-
Distributions paid to unitholders		(370,737)	-
Net cash inflow/(outflow) from financing activities		70,080,374	1,687,000
Net (decrease)/increase in cash and cash equivalents		(815,324)	1,390,709
Cash and cash equivalents at the beginning of the year		1,464,446	-
Effect of foreign currency exchange rate changes on cash and cash equivalents		(101,234)	73,737
Cash and cash equivalents at the end of the year	11	547,888	1,464,446
Non-cash operating and financing activities		-	-

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

Notes to the financial statements

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Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

1. General information

These financial statements cover Spire Multifamily Growth and Income Fund ('the Fund') as an individual entity. The Fund is an Australian unlisted registered managed investment scheme which was constituted on 13 November 2020 and will terminate in accordance with the provisions of the Fund's Constitution or By-Laws.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, NSW 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund seeks to provide Investors with annual income and attractive capital appreciation by investing in a diversified portfolio of multifamily apartment communities located in the US in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

2. Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

i. Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

ii. New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

iii. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2021 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

b. Financial instruments

i. Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed, and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents, prepayments, margin accounts and receivables these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

2. Summary of significant accounting policies (continued)

b. Financial instruments (continued)

i. Classification (continued)

- Financial liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distribution payable, withholding tax payable, management fees payable, audit and tax fees payable, custody and administration fees payable and Responsible Entity fees payable).

ii. Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the Statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the year in which they arise.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents and receivables are carried at amortised cost.

For further details on how the fair values of financial instruments is determined please see Note 4 to the financial statements.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

2. Summary of significant accounting policies (continued)

b. Financial instruments (continued)

iv. Impairment

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, due from brokers and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

v. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position when the Fund has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

c. Net assets attributable to unit holders

Units are redeemable at the unit holders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to the unit holders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the unit back to the Fund.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

2. Summary of significant accounting policies (continued)

d. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Fund's main income generating activity.

e. Investment income

i. Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities measured at fair value through profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Interest income on financial assets at fair value through profit or loss is also recognised in the statement of comprehensive income. Changes in fair value of financial instruments at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

ii. Dividends and distributions

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Trust distributions are recognised on an entitlements basis.

f. Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

2. Summary of significant accounting policies (continued)

g. Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

h. Distributions

The Fund may distribute its distributable income, calculated in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are included in the finance costs in the statement of comprehensive income.

i. Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unit holders. Where the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

j. Receivables

Receivables may include amounts for interest, dividends and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

k. Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting year.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 30 June of the same financial year.

l. Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

2. Summary of significant accounting policies (continued)

m. Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

n. Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how fair value is calculated refer to Note 5 to the financial statements.

3. Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on forward currency contacts is limited to the fair value of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Spire Capital Pty Ltd (ABN 21 141 096 120) under an Investment Management Agreement (IMA) approved by the Responsible Entity and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

3. Financial risk management (continued)

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

a. Market risk

i. Price Risk

The Fund is exposed to price risk on equity securities listed or quoted on recognised securities exchanges. Price risk arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Fund invests moves by +/- 10%.

ii. Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

Foreign exchange risk is managed by hedged forward contracts.

The table below summarises the fair value of the Fund's financial assets and liabilities, monetary and nonmonetary, which are denominated in a currency other than the Australian dollar.

	US dollar
	A\$
As at 30 June 2022	
Cash and cash equivalents	547,888
Margin accounts	2,339,341
Net exposure	2,887,229
Net increase/(decrease) in exposure from forward currency contracts	(3,237,121)
Net exposure including forward currency contracts	(349,892)

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

3. Financial risk management (continued)

a. Market risk (continued)

	US Dollar A\$
As at 30 June 2021	
Cash and cash equivalents	1,044,736
Net exposure	1,044,736
Net increase/(decrease) in exposure from forward currency contracts	(48,987)
Net exposure including forward currency contracts	995,749

The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australia dollar weakened and strengthened by 10% against the material foreign currencies to which the Fund is exposed.

iii. Interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

The Fund's interest-bearing financial instruments expose them to risks associated with the effects of fluctuation in the prevailing market interest rate on its financial positions and cash flows. The impact of interest rate risk on the profit and net assets attributable to unit holders is considered immaterial to the Fund.

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Fund to interest rate risk.

The Fund's interest-bearing financial instruments expose it to risks associated with the effects of fluctuations in the prevailing market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. The impact of the interest rate risk on profit and net assets attributable to unit holders is considered immaterial to the Fund.

The Fund's main interest rate risk arises from its investments in cash and cash equivalent.

Interest rate risk is managed by Investment Manager.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

3. Financial risk management (continued)

a. Market risk (continued)

The table below summarises the Fund's exposure to interest rate risk at the end of the reporting year.

As at 30 June 2022	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	547,888	-	-	547,888
Financial assets at fair value through profit/(loss)	-	-	81,041,334	81,041,334
Receivables	-	-	1,421,072	1,421,072
Margin accounts	-	-	2,339,341	2,339,341
Total financial assets	547,888	-	84,801,747	85,349,635
Financial liabilities				
Distribution payable	-	-	1,386,952	-
Payables	-	-	180,481	1,567,475
Financial liabilities at fair value through profit/(loss)	-	-	3,237,121	3,237,121
Total financial liabilities	-	-	4,804,554	4,804,596
Net increase/(decrease) in exposure from interest rate futures (notional principal)	547,888	-	81,384,145	80,545,039
Net exposure	547,888	-	81,384,145	80,545,039
As at 30 June 2021				
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	1,464,446	-	-	1,464,446
Financial assets at fair value through profit/(loss)	-	-	289,056	289,056
Receivables	-	-	12,336	12,336
Total financial assets	1,464,446	-	301,392	1,765,838

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

3. Financial risk management (continued)

a. Market risk (continued)

As at 30 June 2021	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial liabilities				
Payables	-	-	33,909	33,909
Financial liabilities at fair value through profit/(loss)	-	-	79,496	79,496
Total financial liabilities	-	-	113,405	113,405
Net increase/(decrease) in exposure from interest rate futures (notional principal)	1,464,446	-	187,987	1,652,433
Net exposure	1,464,446	-	187,987	1,652,433

The table at Note 3(b) summarises the impact of an increase/decrease in interest rates on the Fund's operating profit and net assets attributable to unit holders through changes in fair value or changes in future cash flows. The analysis is based on the reasonably possible shift that the interest rates changed by +/- 100 basis points from the year end rates with all other variables held constant.

b. Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

Impact on operating profit/net assets attributable to unit holders

	Price risk		Foreign exchange risk		Interest rate risk	
	+10% \$	-10% \$	+10% \$	-10% \$	+100bps \$	-100bps \$
As at 30 June 2022	733,920	(733,920)	4,835	(4,835)	5,479	(5,479)
As at 30 June 2021	25,855	(25,855)	99,575	(99,575)	14,644	(14,644)

3. Financial risk management (continued)

c. Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents. None of these assets are impaired nor past their due date. The maximum exposure to credit risk is the carrying of these balances as at the reporting date.

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss.

At 30 June 2022, all receivables, cash and cash equivalents are either callable on demand or due to be settled within 1 week. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

i. Derivative financial instruments

The Fund also restricts its exposure to credit losses on the trading of derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. Credit risk associated with favourable contracts is reduced by master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on a net basis. The Fund's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangements. Refer to Note 4 to the financial statements for further analysis of the Fund's master netting arrangements.

ii. Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

iii. Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low.

iv. Other

The Fund is not materially exposed to credit risk on other financial assets.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

3. Financial risk management (continued)

c. Credit risk (continued)

v. Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting year is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

d. Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests, margin calls on derivative transactions or to fund foreign exchange related cash flow requirements.

Liquidity risk is managed by Responsibility Entity.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during the year.

i. Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month.

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining year at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Units are redeemed on demand at the unit holders' option. However, the Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

	Less than 1 month	1 to 6 months	6 to 12 months	Over 12 months	Total
As at 30 June 2022	\$	\$	\$	\$	\$
Payables	180,481	-	-	-	180,481
Distribution payable	1,386,994	-	-	-	1,386,994
Net assets attributable to unit holders - liability	80,545,039	-	-	-	80,545,039
Contractual cash flows (excluding derivatives)	82,112,514	-	-	-	82,112,514

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

3. Financial risk management (continued)

d. Liquidity risk (continued)

	Less than 1 month	1 to 6 months	6 to 12 months	Over 12 months	Total
	\$	\$	\$	\$	\$
As at 30 June 2021					
Payables	33,909	-	-	-	33,909
Distribution payable	-	-	-	-	-
Net assets attributable to unit holders - liability	1,652,433	-	-	-	1,652,433
Contractual cash flows (excluding derivatives)	1,686,342	-	-	-	1,686,342

ii. Maturities of net settled derivative financial instruments

The table below analyses the Fund's net settled derivative financial instruments based on their contractual maturity. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

	Less than 1 month	1 to 6 months	6 to 12 months	Over 12 months	Total
	\$	\$	\$	\$	\$
As at 30 June 2022					
Net settled derivatives					
Forward currency contracts	-	(3,237,121)	-	-	(3,237,121)
Total net settled derivatives	-	(3,237,121)	-	-	(3,237,121)
	Less than 1 month	1 to 6 months	6 to 12 months	Over 12 months	Total
	\$	\$	\$	\$	\$
As at 30 June 2021					
Net settled derivatives					
Forward currency contracts	-	(48,986)	-	-	(48,986)
Total net settled derivatives	-	(48,986)	-	-	(48,986)

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

4. Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets / liabilities held for trading (see note 5 and 6); and
- Derivative financial instruments (see Note 7).

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting year.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

a. Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) is based on their quoted market prices at the close of trading at the end of the reporting year without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

b. Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

4. Fair value measurement (continued)

b. Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting year taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

c. Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2022.

As at 30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Exchange Traded Fund	7,339,202	-	-	7,339,202
Foreign currency forward contracts	-	-	-	-
Investments in unlisted fund	-	-	73,702,132	73,702,132
Total financial assets	7,339,202	-	73,702,132	81,041,334
Financial liabilities				
Forward currency contracts	-	3,237,121	-	3,237,121
Total financial liabilities	-	3,237,121	-	3,237,121
As at 30 June 2021				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Exchange Traded Fund	258,546	-	-	258,546
Foreign currency forward contracts	-	30,510	-	30,510
Total financial assets	258,546	30,510	-	289,056
Financial liabilities				
Forward currency contracts	-	79,496	-	79,496
Total financial liabilities	-	79,496	-	79,496

d. Transfers between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

4. Fair value measurement (continued)

e. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the for the year 30 June 2021 to 30 June 2022 by class of financial instrument.

	Spire CGI Holdings \$	Total \$
Opening balance - 2 December 2020	-	-
Purchases	-	-
Gains/(losses) recognised in the statement of comprehensive income	-	-
Closing balance - 30 June 2021	-	-
Purchases	58,784,529	58,784,529
Gains/(losses) recognised in the statement of comprehensive income	14,917,603	14,917,603
Closing balance - 30 June 2022	73,702,132	73,702,132

i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See Note 4(b) above for the valuation techniques adopted.

Description	Fair value \$	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
As at 30 June 2022 Spire CGI Holdings	73,702,132	Cost of capital	10.5% - 14% (12%)	Increased/(decreased) cost of capital (+/-50 basis points (bps)) would increase/decrease fair value by \$368,511

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

ii. Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period and are disclosed in Note 4(e) above.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

4. Fair value measurement (continued)

f. Financial instruments not carried at fair value

The carrying values of receivables and payables approximate their fair values due to their short-term nature.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior year.

5. Financial assets at fair value through profit or loss

	30 June 2022	As at 30 June 2021
	\$	\$
Exchange Traded Fund	7,339,202	258,546
Foreign currency forward contracts	-	30,510
Investment in unlisted fund	<u>73,702,132</u>	-
Total financial assets at fair value through profit or loss	<u>81,041,334</u>	<u>289,056</u>

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

6. Financial liabilities at fair value through profit or loss

	30 June 2022	As at 30 June 2021
	\$	\$
Foreign currency forward contracts	<u>3,237,121</u>	79,496
Total financial liabilities at fair value through profit or loss	<u>3,237,121</u>	<u>79,496</u>

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

7. Derivative financial instruments

In the normal course of business the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values, foreign exchange risk or to reduce volatility
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed-delivery or forward commitment transactions. Leverage may be incurred when it is believed that is advantageous to increase the investment capacity of a Fund or to facilitate the clearance of transactions. Leverage creates opportunity for greater total returns for a Fund, but it also may magnify losses. The use of derivatives may also create leverage risk.

The Fund may hold the following derivative instruments:

Forward currency contracts

Forward currency contracts are primarily used by the Fund to economically hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting year. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting year.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

7. Derivative financial instruments (continued)

	Contractual / notional \$	Assets \$	Liabilities \$
As at 30 June 2022			
Foreign currency contracts	70,000,421	-	(3,237,121)
Total derivatives	70,000,421	-	(3,237,121)
	Contractual/ notional \$	Assets \$	Liabilities \$
As at 30 June 2021			
Foreign currency contracts	25,997,646	30,510	(79,496)
Total derivatives	25,997,646	30,510	(79,496)

8. Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

The Fund considers all investments in managed investment schemes (funds) to be structured entities. The Fund invests in unrelated managed funds for the purpose of capital appreciation and/or investment income.

The exposure to investments in investee fund at fair value is disclosed in the following table:

	As at	
	30 June 2022 \$	30 June 2021 \$
Spire CGI Holdings Trust	73,702,132	-
Total investee funds	73,702,132	-

The fair value of the investee fund is included in financial assets at fair value through profit or loss in the statement of financial position.

The Fund's maximum exposure to loss from its interests in investee fund is equal to the total fair value of its investments in the investee fund as there are no off-balance sheet exposures relating to the investee fund. Once the Fund has disposed of its shares in an investee fund, it ceases to be exposed to any risk from that investee fund.

During the year ended 30 June 2022, total gains/(losses) incurred on investments in the investee fund were \$14,917,603 (2021: Nil). The Fund also earned distribution income of \$1,386,994 (2021: Nil) as a result of its interests in the investee fund.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

9. Net assets attributable to unit holders - liability

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	For the year ended 30 June 2022		For the period 2 December 2020 to 30 June 2021	
	Units	\$	Units	\$
Founders (AUD) Hedged Class				
Opening balance	1,692,261	1,652,433	-	-
Applications	69,553,791	73,507,091	1,692,261	1,687,000
Redemptions	(2,746,144)	(3,055,980)	-	-
Increase/(decrease) in net assets attributable to unit holders	-	8,441,495	-	(34,567)
Closing balance	68,499,908	80,545,039	1,692,261	1,652,433
Founders (AUD) Unhedged Class				
Opening balance	-	-	-	-
Applications	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	-
Closing balance	-	-	-	-
Total net assets attributable to unit holders	-	80,545,039	-	1,652,433

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are two separate classes of units. Each unit within the same class has the same rights as all other units within that class.

Units are redeemed on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting year cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding those net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

9. Net assets attributable to unit holders - liability (continued)

Capital risk management (continued)

Monthly applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a monthly basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unit holders.

10. Distributions to unit holders

The distributions declared during the year/period were as follows:

	For the year ended		For the period	
	30 June 2022	30 June 2022	2 December 2020 to 30 June 2021	30 June 2021
	\$	CPU	\$	CPU
Distributions - Founders (AUD) Hedged Class				
December	370,737	0.9363	-	-
June (payable)	1,386,994	2.0248	-	-
Total	1,757,731	2.9611	-	-
Distributions - Founders (AUD) Unhedged Class				
December	-	-	-	-
June (payable)	-	-	-	-
Total	-	-	-	-
Total distributions	1,757,731		-	

11. Cash and cash equivalents

	As at	
	30 June 2022	30 June 2021
	\$	\$
Cash at bank	547,888	1,464,446
Total cash and cash equivalents	547,888	1,464,446

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

12. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	For the year ended 30 June 2022 \$	For the period 2 December 2020 to 30 June 2021 \$
Profit/(loss) for the year/period	-	-
Increase/(decrease) in net assets attributable to unit holders	8,441,495	(34,567)
Distributions to unit holders	1,757,731	-
Proceeds from sale of financial instruments at fair value through profit or loss	1,005,311	-
Payments for purchase of financial instruments at fair value through profit or loss	(69,164,058)	(283,710)
Net (gains)/losses on financial instruments at fair value through profit or loss	(9,435,906)	74,150
Net foreign exchange loss/(gain)	101,234	(73,737)
Net change in margin accounts	(2,339,341)	-
Net change in receivables	(1,394,924)	(12,336)
Net change in prepayments	(13,812)	-
Net change in payables	146,572	33,909
Net cash inflow/(outflow) from operating activities	(70,895,698)	(296,291)

13. Receivables

	As at	
	30 June 2022 \$	30 June 2021 \$
Expense reimbursement receivable	-	12,298
GST receivable	19,036	38
Distribution receivable	1,386,994	-
Interest receivable	987	-
Rebate receivable	243	-
Total receivables	1,407,260	12,336

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

14. Payables

	As at	
	30 June	30 June
	2022	2021
	\$	\$
Management fees payable	54,102	859
Audit and tax fees payable	54,265	23,582
Custody and administration fees payable	55,822	9,317
Responsible Entity fees payable	15,717	151
Other payable	575	-
Total payables	180,481	33,909

15. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditors for the Fund:

	For the year	For the period
	ended	2 December 2020
	30 June 2022	to 30 June 2021
	\$	\$
KPMG Australia		
<i>Audit and other assurance services</i>		
Audit of financial statements	16,000	15,000
Total auditor remuneration and other assurance services	16,000	15,000
<i>Taxation services</i>		
Tax compliance services	9,250	5,951
Total remuneration for taxation services	9,250	5,951
PwC Australia		
<i>Audit and other assurance services</i>		
Audit of compliance plan	2,346	525
Total auditor remuneration and other assurance services	2,346	525
Total remuneration of auditors	27,596	21,476

The auditors' remuneration is borne by the Fund. Fees are stated exclusive of GST.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

16. Related party transactions

The Responsible Entity of Spire Multifamily Growth and Income Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to Spire Capital Pty Ltd, to act as Investment Manager for the Fund, Unity Fund Services Pty Ltd to act as Administrator and One Registry Services Pty Ltd to act as Registrar. Equity Trustees Limited also acts as Custodian for the Fund. The contracts are on normal commercial terms and conditions.

a. Key management personnel

i. Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial period and up to the date of this report.

Philip D Gentry	Chairman
Michael J O'Brien	
Russell W Beasley	
Mary A O'Connor	(appointed 24 May 2022)

ii. Responsible Entity

Other than management fees paid to the Responsible Entity, there were no other transactions.

iii. Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial year.

b. Transactions with Manager and its associated entities

There were no transactions with key management personnel during the reporting year.

c. Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2022.

d. Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

e. Key management personnel loans

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

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

16. Related party transactions (continued)

f. Other transactions within the fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interests existing at year end.

g. Responsible Entity fees, Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees.

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	For the year ended 30 June 2022	For the period 2 December 2020 to 30 June 2021
	\$	\$
Management fees for the year	176,030	859
Currency overlay fees for the year	31,398	-
Responsible Entity fees for the year	30,401	151
Management fees reimbursement received for the year	-	-
Management fees payable at the year end	49,203	859
Currency overlay fees payable at the year end	4,899	-
Responsible Entity fees payable at the year end	15,717	151
Expense reimbursement receivable at year end	-	12,298

For information on how management and performance fees are calculated please refer to the Fund's Product Disclosure Statement.

Spire Multifamily Growth and Income Fund
Notes to the financial statements
For the year ended 30 June 2022
(continued)

16. Related party transactions (continued)

h. Related party unit holdings

Unit holder	Number of units held opening	Number of units held closing	Fair value of Investment \$	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund \$
As at 30 June 2022							
Spire Investment Unit Trust	1,000,000	1,008,628	1,185,987	1.47	8,628	-	29,786
Holmes Family Trust	-	516,451	607,264	0.75	516,451	-	15,252
As at 30 June 2021							
Spire Investment Unit Trust	1,000,000	1,000,000	976,500	59	1,000,000	-	-

i. Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the year ended 30 June 2022.

17. Events occurring after the reporting period

No significant events have occurred since the end of the reporting year which would impact on the financial position of the Fund disclosed in the Statement of financial position as at 30 June 2022 or on the results and cash flows of the Fund for the period ended on that date.

18. Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2022 or 30 June 2021.

Spire Multifamily Growth and Income Fund

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 6 to 37 are in accordance with the *Corporations Act 2001*, 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 Fund's financial position as at 30 June 2022 and of its performance for the year ended on that date.
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
29 September 2022



Independent Auditor's Report

To the unit holders of Spire Multifamily Growth and Income Fund

Opinion

We have audited the **Financial Report** of Spire Multifamily Growth and Income Fund (the Fund).

In our opinion, the accompanying Financial Report of the Fund is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Fund's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2022
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration made by the Directors of Equity Trustees Limited (the Responsible Entity).

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Fund in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Equity Trustees Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.



Responsibilities of the Directors for the Financial Report

The Directors of Equity Trustees Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the 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 at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Malcolm Kafer

Partner

Sydney

29 September 2022