

Consolidated Disclosure Document - RG46

Essential Services Trust No. 18 (the Fund)
Private Property Trust No. 18 - ARSN 649 440 504

Essential Services Trust No. 18

RG46 Disclosure

Scope of this Disclosure Document

This Fund update discloses against the 6 benchmarks prescribed by the Australian Securities and Investments Commission (ASIC) in Regulatory Guide 46 (RG 46). RG 46 aims to improve disclosure to retail investors to help them compare risks and returns across investments in the unlisted property sector. As with all investment types, the business model of unlisted property funds can create risks for investors. There are several common risks associated with investments in unlisted property funds, and disclosure on these can help investors make informed decisions, including comparing the risks and returns across investments in the sector.

This document should be read in conjunction with the Fund financial statements as at 30 June 2025 and the last Fund update.

The information in this update is current as at 30 June 2025 unless stated otherwise.

Benchmarks

Benchmark	Fawkner Disclosure
Benchmark 1: Gearing policy The Fund maintains and complies with a written policy that governs the level of gearing.	The Fund meets the Benchmark. The Responsible Entity's policy is that the Gearing of the Fund, measured by the Gearing Ratio, should not exceed 65%. The Fund does not have off-balance sheet financing.
Benchmark 2: Interest cover policy The Fund maintains and complies with a written policy that governs the level of interest cover.	The Fund meets the Benchmark. It is the Responsible Entity's policy to ensure that the ICR remains at, or above, 1.25 times.
Benchmark 3: Interest capitalisation The interest expense of the Fund is not capitalised.	The Fund meets the Benchmark. Interest on the Loan is paid as it is accrued and is not capitalised.
Benchmark 4: Valuation policy The Fund maintains and complies with a written valuation policy about valuing the real estate assets of the Fund.	The Fund meets the benchmark. The Responsible Entity's policy, is that an assessment by an independent expert Valuer is required: • before a contract for the purchase of a real estate asset is settled; • at least every three years thereafter; • before an Exit Offer occurs; and • at any time the Responsible Entity believes the fair value of an asset varies materially from the carrying value. At the end of each half year, each Property will be valued by the Responsible Entity if there is no current independent valuation.
Benchmark 5: Related party transactions The Fund maintains and complies with a written policy on related party transactions.	The Fund meets the benchmark. The Responsible Entity's policy deals with the assessment and approval of the transactions and sets out the Responsible Entity's arrangements for managing any conflicts of interest. In addition to investment management activities, the Responsible Entity provides services to the Fund which are set out in section 10.2 of the PDS.
Benchmark 6: Distribution practices The Fund maintains and complies with a written policy on making distributions only from Fund operations, realised capital gains, and where applicable, retained earnings and cash reserves.	The Fund meets the benchmark. Distributions are expected to be 6.50 cents per Unit per annum to December 2025.

Disclosure Principles

Disclosure Principle	Fawkner Disclosure
Disclosure Principle 1: Gearing ratio	The Gearing Ratio is calculated as follows and stated as a percentage: $\text{Gearing Ratio} = \frac{\text{total interest} - \text{bearing liabilities}}{\text{total assets}}$ The Gearing Ratio indicates the extent to which the Fund's assets are funded by interest bearing liabilities. It gives an indication of the potential risks the Fund faces in terms of its level of borrowings due to, for example, an increase in interest rates or a reduction in property values. The Gearing Ratio of the Fund is 50.01% as at 30 June 2025 which is below the benchmark of 65%.
Disclosure Principle 2: Interest cover ratio	The RG 46 ICR is calculated for a period and is stated in accordance with the following formula: $\text{ICR} = \frac{\text{income before interest and tax} - \text{unrealised gains and losses}}{\text{interest expense}}$ The Responsible Entity's Bank Covenant ICR is stated in accordance with the following formula: $\text{ICR} = \frac{\text{income before interest and tax} - \text{unrealised gains and losses} + \text{management fees}^*}{\text{interest expense}}$ - The RG 46 ICR is 1.76 as at 30 June 2025. The Bank Covenant ICR is 2.13 for the same period. - The EBITDA¹ for the Fund's property assets would have to fall by more than 29% before the Fund would breach the Responsible Entity's policy to ensure that the ICR remains at, or above, 1.25 times. *This is in line with the current covenant reporting, which states the ICR calculation is exclusive of investment management fees.
Disclosure Principle 3: Scheme borrowing	The debt financing of the Fund is disclosed.
Disclosure Principle 4: Portfolio diversification	The Responsible Entity does not provide broad portfolio diversification under the PDS Offer. The investment strategy of the Fund will provide only limited diversification.
Disclosure Principle 5: Related party transactions	Related party transactions are disclosed.
Disclosure Principle 6: Distribution practices	The sources of forecast distributions and the distribution policy are disclosed.
Disclosure Principle 7: Withdrawal arrangements	The terms of Exit Offers and limited redemption are set out in the PDS. The purpose of the Fund is to invest in real estate assets with limited liquidity, so there is no withdrawal or redemption until the completion of the initial term of the investment (see 3.1 of the PDS). There is no secondary market for Fund Units.
Disclosure Principle 8: Net tangible assets	The Net Tangible Assets per Unit as at 30 June 2025 is \$1.11. The NTA is updated regularly and disclosed in the investor updates and the annual investor tax statements.

1. Earnings before interest, taxes, depreciation and amortisation

