DirectMoney Personal Loan Fund

ARSN 602 325 628

Annual report for the financial year ended 30 June 2019

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Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297042) ("OMIFL" or the "Responsible Entity"), the responsible entity of DirectMoney Personal Loan Fund (ARSN 602 325 628) ("DMPLF" or the "Fund") submit their report for the Fund for the financial year ended 30 June 2019.

Information about the Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity, in office during the year ended 30 June 2019 are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary (appointed as Director on 26 October 2018)
Justin Epstein	Non-Executive Director from 1 January 2019 (Executive director to 31 December 2018)
Elizabeth Reddy	Non-Executive Director (resigned 26 October 2018)

The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

Principal Activities

The Fund is a registered managed investment scheme, domiciled in Australia. The Fund was constituted on 14 October 2014, registered as managed investment scheme on 23 October 2014 and commenced operations on 13 May 2015. The financial statements cover the financial year from 1 July 2018 to 30 June 2019.

The principal activity of the Fund during the financial year was to invest in accordance with the provisions of the Fund's Constitution and the Supplementary Product Disclosure Statement, dated 28 June 2019 (collectively the "PDS").

The Fund acquires equitable interests in Australian fixed rate unsecured personal loans ("Loan Investments") made by Wisr Finance Pty Ltd (the "Seller"), of either three or five years' duration that provide for fixed monthly repayments, comprising principal and interest. The Loan Investments have a minimum loan amount of $5,000 and a maximum loan amount of $36,500.

The Loan Investments entitle the Fund to receive all of the principal repayments and a portion of the monthly interest repayments made by borrowers who are resident in Australia.

The Fund did not have any employees during the reporting period.

Fund Service	Provider
Responsible Entity	One Managed Investment Funds Limited (ABN 47 117 400 987, AFSL 297042)
Investment Manager	Wisr Investment Management Pty Ltd (ACN 604 346 189) (previously DirectMoney Investment Management Pty Ltd)
Custodian	One Managed Investment Funds Limited (ABN 47 117 400 987)
Seller	Wisr Finance Pty Ltd (ACN 119 503 221) (previously DirectMoney Finance Pty Ltd)
Servicer	Wisr Loans Servicing Pty Ltd (ACN 604 347 033) (previously DirectMoney Loans Servicing Pty Ltd)
Credit Manager	Wisr Credit Management Pty Ltd (ACN 604 841 750) (previously DirectMoney Credit Management Pty Ltd)
DirectMoney Parent	Wisr Limited (ACN 004 661 205) (previously DirectMoney Limted)
Auditor	Pitcher Partners Sydney (ABN 17 795 780 962)
Fund Administrator	Unity Fund Services Pty Limited (ABN 16 146 747 122)

Directors' Report (continued)

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income contained in these financial statements. The profit attributable to unitholders for the year ended 30 June 2019 was $275,908 (2018: $186,080).

Distributions

In respect of the financial year ended 30 June 2019, the Fund has distributed $275,908 (2018: $186,080) of income to the unitholders of which $27,787 (2018: $13,789) remained payable to the unitholders as at 30 June 2019.

Value of Assets and Units Issued

The total value of the Fund's assets at 30 June 2019 was $4,702,140 (2018: $2,689,136). The total number of units on issue as at 30 June 2019 was 4,659,852 (2018: 2,664,915).

Fees Paid and Payable to the Responsible Entity

The following fees were paid or payable to the Responsible Entity out of the Fund during the year ended 30 June 2019:

	1 July 2018 to 30 June 2019 $	1 July 2017 to 30 June 2018 $
Responsible Entity, fund administration and management fees for the year to :		
OMIFL	100,312	72,311
Total Responsible Entity, fund administration and management fee expense for the year	**100,312**	**72,311**

Management Fees Paid and Payable to the Investment Manager

The following fees were paid or payable to the Investment Manager as part of the Responsible Entity fee during the year ended 30 June 2019:

- Total management fees for the period were $63,385 (2018: $45,692).
- Management fees payable as at 30 June 2019 were $36,927 (2018: $3,959).

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 in the Statement of Financial Position and derived using the basis set out in Note 3 to the financial statements.

Investment Held in the Fund by the Responsible Entity and its Associates

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 15 to the financial statements.

Changes in State of Affairs

During the financial year there were no significant changes in the state of affairs of the Fund.

Directors' Report (continued)

Subsequent Events

There has been no matter or circumstances occurring subsequent to the end of the year 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 future financial years.

Likely Developments

The Fund will be managed in accordance with the Constitution and investment objectives as detailed in its most recent Supplementary Product Disclosure Statement, dated 28 June 2019.

Environmental Regulation and Performance

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

Indemnification of Directors, Officers and Auditors

During or since the financial year, the Fund has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Fund or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Fund. In addition, the Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Fund.

Rounding of Amounts to the Nearest Dollar

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

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 4.

The report is made in accordance with a resolution of the directors of the Responsible Entity, One Managed Investment Funds Limited.

Frank Tearle
Director
24 September 2019

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Auditor's Independence Declaration
To the Directors of One Managed Investment Funds Limited
As Responsible Entity of DirectMoney Personal Loan Fund
ARSN 602 325 628

In relation to the independent audit of the financial report of DirectMoney Personal Loan Fund for the year ended 30 June 2019, I declare that to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

C I Chandran
Partner

Pitcher Partners
Sydney

24 September 2019

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Independent Auditor's Report
To the Unitholders of DirectMoney Personal Loan Fund
ARSN 602 325 628

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of DirectMoney Personal Loan Fund ("the Fund"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the Directors' Declaration.

In our opinion:

a. the financial report of the Fund has been prepared in accordance with the *Corporations Act 2001,* including:

    i. giving a true and fair view of the Fund's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

    ii. complying with Australian Accounting Standards and *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 3(a).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other information

The Directors of One Managed Investment Funds Limited, the Responsible Entity of the Fund, are responsible for the other information. The other information comprises the information in the Fund's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' of the Responsible Entity's Responsibility for the Financial Report

The Directors of the Responsible Entity of the Fund, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. In Note 3, the Directors of the Responsible Entity also state, in accordance with applicable Australian Accounting Standards and Interpretations that the financial statements comply with International Financial Reporting Standards. The Directors' of the Responsible Entity's responsibility also include such internal control as they determine is necessary 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.

In preparing the financial report, the Directors of the Responsible Entity are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Responsible Entity either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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Independent Auditor's Report
To the Unitholders of DirectMoney Personal Loan Fund
ARSN 602 325 628

PITCHER PARTNERS

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

C I Chandran
Partner

Pitcher Partners
Sydney

24 September 2019

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Directors' Declaration

The directors of the Responsible Entity declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3(a) to the financial statements; and

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to Section 295(4) of the *Corporations Act 2001*.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.

Frank Tearle

Director

24 September 2019

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019

	Note	1 July 2018 to 30 June 2019 $	1 July 2017 To 30 June 2018 $
Revenue			
Interest income	12	376,928	251,767
Total revenue		376,928	251,767
Other income		-	6,691
Expenses			
Management fees	6	63,385	45,692
Fund administration fees	7	36,927	26,619
Delinquent loan interest written off		708	46
Other fund expenses		-	21
Total expenses		101,020	72,378
Net gain attributable to unitholders before finance costs		275,908	186,080
Finance costs attributable to unitholders			
Distributions to unitholders		275,908	186,080
Net gain attributable to unitholders after finance costs		**-**	**-**
Profit for the year		**-**	**-**
Other comprehensive income		-	-
Total comprehensive income		**-**	**-**

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Financial Position as at 30 June 2019

	Note	30 June 2019 $	30 June 2018 $
Assets			
Cash and cash equivalents	11(a)	62,447	41,172
Other assets	8	44,155	26,974
Financial assets held at amortised cost	5	4,595,538	2,620,990
Total assets		4,702,140	2,689,136
Liabilities			
Distribution payable		27,787	13,789
Redemption payable		3,776	4,167
Management fees payable	6	6,777	3,959
Administration fees payable	7	3,948	2,306
Total liabilities (excluding net assets attributable to unitholders)		42,288	24,221
Net assets attributable to unitholders - Liability	9	**4,659,852**	**2,664,915**

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Changes in Net Assets Attributable to Unitholders for the year ended 30 June 2019

	Note	Net assets attributable to unitholders of the Fund $
Balance as at 1 July 2018		2,664,915
Reinvestment of distribution by unitholders		43,908
Applications for units by unitholders		1,989,000
Redemptions of units by unitholders		(37,971)
Net gain attributable to unitholders before finance costs		275,908
Distributions paid		(275,908)
Balance as at 30 June 2019	9	**4,659,852**

	Note	Net assets attributable to unitholders of the Fund $
Balance as at 1 July 2017		2,234,662
Reinvestment of distribution by unitholders		21,141
Applications for units by unitholders		453,000
Redemptions of units by unitholders		(43,888)
Net gain attributable to unitholders before finance costs		186,080
Distributions paid		(186,080)
Balance as at 30 June 2018	9	**2,664,915**

The accompanying notes to the financial statements should be read in conjunction with this statement.

Statement of Cash Flows for the year ended 30 June 2019

	Note	1 July 2018 to 30 June 2019 $	1 July 2017 to 30 June 2018 $
Cash flows from operating activities			
Interest received		378,133	263,507
Payments to suppliers		(120,583)	(89,194)
Net GST received		5,637	4,511
Net cash provided by operating activities	11(b)	263,187	178,824
Cash flows from investing activities			
Purchase of financial assets		(3,599,886)	(1,849,315)
Proceeds from repayment of principal		1,371,074	915,653
Proceeds from loans bought back		254,264	63,346
Net cash used in investing activities		(1,974,548)	(870,316)
Cash flows from financing activities			
Distributions paid to unitholders		(237,169)	(159,569)
Receipts from unitholder applications		2,004,000	453,000
Payments for redemptions of units		(34,195)	(47,778)
Net cash provided by financing activities		1,732,636	245,653
Net increase/ (decrease) in cash and cash equivalents		**21,275**	**(445,839)**
Cash and cash equivalents at the beginning of the year		41,172	487,011
Cash and cash equivalents at the end of the year	11(a)	**62,447**	**41,172**
Non-cash operating and financing activities – reinvestment of distributions		**43,908**	**21,141**

The accompanying notes to the financial statements should be read in conjunction with this statement.

Notes to the Financial Statements

1. General Information

DirectMoney Personal Loan Fund (ARSN 602 325 628) (the "Fund") is an unlisted registered managed investment scheme. The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297042) ("OMIFL" or the "Responsible Entity"). The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

The Fund was constituted on 14 October 2014, registered as a managed investment scheme on 23 October 2014 and commenced operations on 13 May 2015. The financial statements cover the year from 1 July 2018 to 30 June 2019.

The investment manager of the Fund is Wisr Investment Management Pty Ltd (the "Investment Manager"), previously known as DirectMoney Investment Management Pty Ltd.

The principal activity of the Fund is disclosed in the Directors' Report.

The financial statements were authorised for issue by the directors of the Responsible Entity 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. Adoption of New and Revised Accounting Standards

Standards and interpretations affecting amounts reported in the current year

There were no new accounting standards adopted during the year which had a significant impact on the reported position and performance of the Fund.

New and Amended Standards adopted

The Fund has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2018, including AASB 9: Financial Instruments (AASB 9) and AASB 15: Revenue from Contracts with Customers (AASB 15).

AASB 9 replaces AASB 139: Financial Instruments: Recognition and Measurement. The key changes introduced by AASB 9 in relation to the accounting treatment for financial instruments include:

- simplifying the general classifications of financial assets into those measured at amortised cost and those measured at fair value;
- permitting entities to irrevocably elect, on initial recognition, for gains and losses on equity instruments not held for trading to be presented in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirement to separate and measure embedded derivatives at fair value, in relation to embedded derivatives associated with financial assets measured at amortised cost;
- requiring entities that elect to measure financial liabilities at fair value, to present the portion of the change in fair value arising from changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';
- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- Introducing a new 'expected credit loss' impairment model (replacing the 'incurred loss' impairment model of previous accounting standard).
- In accordance with the transition requirements of AASB 9, the Fund has elected to apply AASB 9 retrospectively to each prior reporting period presented in the financial statements, with the cumulative impact, if any, of initially applying the new standard recognised as at the beginning of the earliest prior period presented (i.e., as at 1 July 2017). The Fund has also applied to consequential amendments to AASB 7: Financial Instruments: Disclosure to the disclosure of information about the Fund's financial instruments for the current financial year, and the comparative reporting period.
- The application of AASB 9 has not materially impacted the classification and measurement of the Fund's financial assets and financial liabilities.

2. Adoption of New and Revised Accounting Standards (continued)

AASB 15 provides (other than in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under the previous accounting standard, AASB 118 Revenue, revenue from the sale of goods was recognised when the significant risks and rewards of ownership of the goods transferred to the buyer, and revenue from the rendering of services was recognised by reference to the stage of completion of the transaction at the end of the reporting period.

In accordance with the transition requirements of AASB 15, the Fund has elected to apply AASB 15 retrospectively to each prior reporting period presented in the financial statements, with the cumulative impact, if any, of initially applying the new standard recognised as at the beginning of the earliest prior period presented (i.e., as at 1 July 2017).

The application of AASB 15 has not materially impacted the recognition and measurement of the Fund's revenue from contracts with customers.

Standards and Interpretations issued but not yet mandatory

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

3. Significant Accounting Policies

a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board and the Fund's Constitution and the *Corporations Act 2001* in Australia.

Compliance with Australian Accounting Standards, as issued by the AASB ensures that the financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

b) Basis of preparation

This general purpose financial report has been prepared using the historical cost basis.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unitholders. The amounts expected to be received or settled in relation to these balances cannot be readily determined.

All amounts are presented in Australian dollars as the functional and presentation currency of the Fund.

c) Going concern basis

This financial report has been prepared on a going concern basis.

d) Revenue and income recognition

Interest income

Interest income is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

3. Significant Accounting Policies (continued)

e) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units are classified as financial liabilities.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at bank.

g) Investments in financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents and loans and receivables as defined by AASB 132 'Financial Instruments: Presentation' and are categorised in accordance with AASB 139 'Financial Instruments: Recognition and Measurement'. This classification is determined by the purpose underpinning the acquisition of the investment.

A financial instrument is recognised if the Fund becomes party to the contractual provisions of the instrument. Financial assets and liabilities are recognised on the date that they originate or the trade date at which the Fund becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if the Fund's contractual rights to the cash flows from the financial assets expire, or if the Fund transfers the financial assets to another party without retaining substantially all the risks and rewards attached to the asset.

Financial liabilities are derecognised if the Fund's obligations specified in the contract expire or are discharged or cancelled.

Loan Investments

Loan Investments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Fund does not intend to sell immediately or in the near term. Investors should view the Fund as a medium to long term investment. This is because a complete withdrawal can only be effected over a minimum of 36 months and hence there is a minimum exposure to the Fund for 36 months.

Loan Investments are equitable interests in Australian fixed rate unsecured personal loans which entitle the Fund to receive all of the principal repayments and a portion of the monthly interest repayments made by borrowers on loans made by Wisr Finance Pty Ltd (the "Seller"), previously known as DirectMoney Finance Pty Ltd.

The classification of financial instruments (investment in loans) designated initially at fair value plus transaction costs using the effective interest rate method, and subsequently at amortised cost less any impairment losses (delinquent loans) less principal payments during the period of the loan.

The Fund has not adopted a policy to determine whether to recognise a provision for impairment against the carrying amount of financial assets due to the timely identification of delinquent loans by the Investment Manager and confirmation by the Seller on the ability to sell said loans.

Derivative financial instruments

During the year, the Fund did not hold any derivative financial instruments to hedge its interest rate risk exposures.

h) Impairment of financial assets

The Fund's financial assets held at amortised cost are tested for impairment by applying the 'expected credit loss' impairment model.

The Fund applies the simplified approach under AASB 9 to measuring the allowance for credit losses for financial assets held at amortised cost. Under the AASB 9 simplified approach, the Fund determines the allowance for credit losses for financial assets held at amortised cost on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

3. Significant Accounting Policies (continued)

The Fund considers a range of information when assessing whether the credit risk has increased significantly since initial recognition. This is discussed further in note 4(a).

The Fund determines expected credit losses using a provision matrix based on the Fund's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The measurement of expected credit losses reflects the Fund's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the Fund's exposure at default, discounted at the financial asset’s original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

(a) significant financial difficulty of the issuer or the borrower;
(b) breach of contract;
(c) the lender, for economic or contractual reasons relating to the borrower’s financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

i) Taxation

Under the current tax legislation, the Fund is not subject to income tax provided that the unitholders are presently entitled to the income of the Fund and that the Fund entirely distributes its taxable income.

There is no taxable income of the Fund to which the unitholders are not currently entitled. Additionally, the Fund’s Constitution requires the distribution of the full amount of the net taxable income of the Fund to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that the taxable gains are realised by the Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

j) Distributions

In accordance with the Product Disclosure Statement (“PDS”) dated 28 April 2016 and Supplementary PDS (“SPDS”) dated 28 June 2019, the Fund will seek to distribute its net taxable income. The Fund will calculate its net income on a daily basis and will accrue this amount (if any) for payment to unitholders on a monthly basis.

It is the intention that distributions will only be paid out of the Fund’s net income. No distribution is guaranteed and the amount to be paid may depend upon a number of factors as stated in the PDS.

Distributions are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs attributable to unitholders. Distributions are payable monthly, usually within 10 business days after the last day of each month, except for the month of June where distributions for that month will be paid within two months of 30 June.

Distribution reinvestment

Distributions may be reinvested in the Fund in accordance with the PDS.

3. Significant Accounting Policies (continued)

j) Distributions (continued)

Withdrawal of units

The Fund allows for withdrawals of units over a 36 month period in 36 separate monthly instalments. Income distributions will continue to be received by the withdrawing unitholders on the balance of the units they hold. The distribution is based on the number of units held at the month end before that month's withdrawal of units has been calculated and satisfied.

k) Payables

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

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.

m) Critical accounting judgements and key sources of estimation uncertainty

Management has adhered to the Fund's unit pricing policy which sets out the basis upon which the units of the Fund have been valued, a copy of which is available upon request.

In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the determination of the value of investments are outlined in Notes 3(b) and 3(g) of these financial statements.

n) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the tax authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, management fees, administration fees and legal fees were subjected to the Reduced Input Tax Credits ("RITCs") in accordance with legislation.

The following RITC rates were applied by the Fund during the reporting year ended 30 June 2019.

Services Supplied	**RITC Rate**
Responsible entity services	55%
Investment management	75%

o) Rounding of Amounts to the Nearest Dollar

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

4. Financial Risk Management Objectives and Policies

The investment strategy of the Fund is to invest in unsecured personal loans made to borrowers resident in Australia. The loans will be written by the Seller through its online lending platform. The Seller will lend relatively small amounts to a large number of borrowers who have satisfied the Seller's minimum credit score requirements. The minimum loan amount is $5,000 and the maximum loan amount is $36,500. The Seller maintains comprehensive policies and processes for the assessment of each loan applicant's creditworthiness and the management of the credit risk arising from the granting of a loan. These policies and procedures are subject to an ongoing process of review and development, supplemented by annual external reviews. The Seller's credit risk assessment and loan underwriting process is similar to that employed by banks. The Seller uses the skills and resources of its credit team and employs the services of third party service providers.

When the Fund acquires a Loan Investment it will pay the Seller no more than the principal amount remaining on the loan as at the sale date plus the interest accrued on the loan since the last monthly repayment date. The Loan Investments entitle the Fund to receive all of the principal repayments and a portion of the monthly interest repayments made by borrowers on loans made by the Seller. The portion of the monthly interest payments that the Fund is entitled to receive is referred to as the Assigned Interest Portion. The portion of the monthly interest repayment that the Fund is not entitled to receive is referred to as the Retained Interest Portion. The Retained Interest Portion is paid to the Wisr Credit Management Pty Ltd (the "Credit Manager"), previously known as DirectMoney Credit Management Pty Ltd.

Risks arising from investing in financial instruments are inherent in the Fund's activities and cannot be completely mitigated by the Responsible Entity, the Investment Manager and the Fund's appointed service providers. The Fund is exposed to a number of risks that could affect the performance of the Fund, the level of income distributions and the repayment of capital.

While the Responsible Entity and the Investment Manager cannot completely eliminate all risks, the Responsible Entity and the Investment Manager aim to manage the impact of these risks through the use of consistent and carefully considered investment guidelines and compliance procedures.

(a) Credit risk

Credit risk represents the risk that the Fund will incur financial loss as a result of a failure by a counter party to discharge an obligation to a financial instrument. The Seller utilises credit checking processes and credit approval policies to try and ensure that only creditworthy borrowers are approved for loans, which in turn are sold to the Fund as Loan Investments.

A potential borrower must satisfy the Seller's credit policy requirements. A potential borrower must demonstrate a good credit record, a history of stable employment and sufficient disposable income to meet loan commitments before they will be approved for a loan. The Seller uses a scoring methodology to assess the credit worthiness of individual borrowers and the interest rate offered to each borrower will reflect their score. The Seller will only lend to borrowers who meet minimum credit score requirements.

The Seller has four credit bands into which loan applicants are assigned depending on the credit score they achieve during the assessment of their application for a loan. Each credit band has its own rate of interest. The four credit bands are referred to as platinum, gold, silver and bronze and the interest rates charged on loans vary between the four bands. These interest rates may change over the life of the Fund.

Credit bands were established to allow the Seller to operate a "risk-based" loan pricing strategy for its unsecured personal loans. The credit bands were established using Equifax's (previously Veda) "Negative 1.1" credit scores and with reference to Equifax's published data on credit scores across the Australian borrowing population. The recommended interest rate for each loan application is determined by referencing the applicant's unique Equifax credit score to the Seller's credit bands. The better the score, the lower the interest rate will be.

4. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk (continued)

The following table details the breakdown of Loan Investments acquired for the financial year ended 30 June 2019:

Loan Credit Band	Opening balance (1 July 2018)	Purchase Amount (Principal)	Principal repaid	Closing balance	% of investment	Average interest rate
	$	$	$	$		
Platinum	821,156	1,207,706	(521,293)	1,507,569	33%	10.78%
Gold	872,273	857,145	(458,705)	1,270,713	28%	13.52%
Silver	485,167	720,418	(294,116)	911,469	20%	16.45%
Bronze	442,394	814,617	(351,224)	905,787	20%	19.44%
Total	**2,620,990**	**3,599,886**	**(1,625,338)**	**4,595,538**	**100%**	

For the financial year ended 30 June 2018:

Loan Credit Band	Opening balance (1 July 2016)	Purchase Amount (Principal)	Principal repaid	Closing balance	% of investment	Average interest rate
	$	$	$	$		
Platinum	472,949	700,287	(352,080)	821,156	31%	11.33%
Gold	905,375	349,032	(382,134)	872,273	33%	13.56%
Silver	326,343	340,778	(181,954)	485,167	19%	16.46%
Bronze	46,007	459,218	(62,831)	442,394	17%	19.42%
Total	**1,750,674**	**1,849,315**	**(978,999)**	**2,620,990**	**100%**	

The exposure to Loan Investments in the four credit bands may change from time to time as it ultimately depends upon the loans that can be written by the Seller. No assurance is or can be given on the Fund's exposure to Loan Investments as between the four credit bands.

Delinquent loans

Under the terms of the Loan Sale and Servicing Deed (Wisr Loans Servicing Pty Ltd, previously known as DirectMoney Loans Servicing Pty Ltd) (the "Servicer") is responsible for monitoring, servicing and recording the repayment by borrowers of the Loan Investments. However, if the borrower does not bring their payments up to date in the timeframe allowed by the Loan Sale and Servicing Deed then the Loan Investment will be determined to be delinquent by the Servicer. The Servicer will notify the Responsible Entity when Loan Investments have become Delinquent Loan Investments. In these circumstances the Delinquent Loan Investment will be sold as set out in section 3.17 of the PDS for the Fund dated 28 April 2016.

The amount of Delinquent Loan Investments as at 30 June 2019 was $151,842 (2018: $56,410). Refer to Note 4(i) for details of the obligation of the Seller for Delinquent Loan Investments.

Maximum credit risk exposure

The Fund's maximum credit risk exposure at balance date in relation to each credit band is the carrying amount of those financial assets as indicated in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at reporting date.

	30 June 2019	30 June 2018
	$	$
Financial assets held at amortised cost	4,595,538	2,620,990
Maximum exposure to credit risk	**4,595,538**	**2,620,990**

4. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk (continued)

Impairment of financial assets held at amortised cost

The Fund applies the simplified approach under AASB 9 to measuring the allowance for credit losses for financial assets held at amortised cost. Under the AASB 9 simplified approach, the Fund determines the allowance for credit losses for financial assets held at amortised cost on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The Fund determines expected credit losses using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

As at 30 June 2019, there was no provision taken up for expected credit losses (2018: $Nil).

(b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Changes in interest rates within Australia will impact directly and indirectly on the Fund and the returns from the Fund.

Falling interest rates may reduce the revenue the Fund earns, as newer Loan Investments may have lower rates of interest. Increased competition in the personal unsecured loan market generally may see the rate of interest charged to borrowers reduce, and hence the income of the Fund would reduce.

Conversely, if unsecured personal loan interest rates rise then it will take time for this rise to be reflected in the return earned by the Fund. This is because Loan Investments held by the Fund have a fixed interest rate over their lifetime so the impact of new Loan Investments at higher interest rates will not be fully felt for some time.

The Fund's exposure to interest rate risk relates primarily to the investments in financial assets as disclosed in Note 5. The interest rates on the Fund's investments in financial assets are fixed and as a result the Fund's investments are not exposed to the interest rate risk. However, the Fund's investments are exposed to default risk as stated in Note 4(h).

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

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30 June 2019	**$**	**$**	**$**	**$**
Assets				
Cash and cash equivalents	62,447	-	-	**62,447**
Other assets	-	-	44,155	**44,155**
Financial assets held at amortised cost	-	4,595,538	-	**4,595,538**
Total assets	**62,447**	**4,595,538**	**44,155**	**4,702,140**
Liabilities				
Distribution payable	-	-	27,787	27,787
Redemption payable	-	-	3,776	3,776
Accruals and payables	-	-	10,725	10,725
Total liabilities	**-**	-	**42,288**	**42,288**
Net exposure	**62,447**	**4,595,538**	**1,867**	**4,659,852**

4. Financial Risk Management Objectives and Policies (continued)

(b) Interest rate risk (continued)

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30 June 2018	**$**	**$**	**$**	**$**
Assets				
Cash and cash equivalents	41,172	-	-	**41,172**
Other assets	-	-	26,974	**26,974**
Financial assets held at amortised cost	-	2,620,990	-	**2,620,990**
Total assets	**41,172**	**2,620,990**	**26,974**	**2,689,136**
Liabilities				
Distribution payable	-	-	13,789	**13,789**
Redemption payable	-	-	4,167	**4,167**
Accruals and payables	-	-	6,265	**6,265**
Total liabilities	**-**	**-**	**24,221**	**24,221**
Net exposure	**41,172**	**2,620,990**	**2,753**	**2,664,915**

(c) Return risk

The primary objective of the Fund is to provide unitholders with a monthly income return that is higher than the return paid by banks on basic savings and deposit accounts. However, the Fund's return is not guaranteed and no assurance is or can be given that a rate of return above that paid by banks on basic savings and deposit accounts will be achieved. An investment in the Fund is not the same as a deposit with a bank and an investment in the Fund is not covered by the depositor protections available to depositors that make a deposit with an Australian Authorised Deposit-taking Institution.

(d) Seller risk

The Fund's income depends upon it purchasing an equitable interest in loans made to borrowers by the Seller. The Seller is therefore crucial to the performance of the Fund. If the Seller becomes insolvent, is wound up, or otherwise becomes unable to make further loans to borrowers or fails to lend loans to suitable borrowers, then this will adversely affect the Fund's performance and may ultimately affect the Fund's viability.

(e) Loan servicing risk and servicer risk

The Servicer is responsible for monitoring Loan Investments, ensuring that borrowers make repayments on time and for following up on late payments from borrowers. The Servicer is also responsible for reporting to the Responsible Entity on the status of defaulting loans which underpin Loan Investments. If the Servicer does not carry out these functions effectively then this could impact upon the Fund's performance.

(f) Related party risk

All of the Seller, Servicer, Investment Manager and Credit Manager have significant roles and responsibilities in relation to the Fund. These are related parties with common directors and shareholders. Refer to Note 15(b) for details of related parties.

The situation may arise where one or more of the Seller, Servicer or Investment Manager has its appointment terminated by the Responsible Entity or otherwise ceases to carry out its role in relation to the Fund. However, because they are related entities there is a risk that the working relationship between the remaining entities and the Responsible Entity may break down or prove to be unworkable. This may adversely affect the Fund and may threaten its ongoing viability.

4. Financial Risk Management Objectives and Policies (continued)

(g) Credit Manager risk

The Credit Manager is responsible for holding, operating and maintaining the Loan Investment Reserve Account, which contains the Retained Interest Portion. The Retained Interest Portion is used to cover shortfalls that may result from the sale of Delinquent Loan Investments to a buyer or buyers. There is a risk that if the Credit Manager does not carry out its function correctly then this could have an adverse effect upon the Fund. This risk is somewhat mitigated as the Responsible Entity holds a security interest over the Loan Investment Reserve Account which means the funds in the account cannot be disposed of or otherwise dealt with by the Credit Manager without the Responsible Entity's consent. There is no guarantee that there will be sufficient funds available in the Loan Investment Reserve Account to cover all shortfalls that may result from the Fund's operations.

(h) Default risk

There is a risk that borrowers may not be able to meet their financial obligations to pay interest and/or principal in respect of loans when they fall due. If a borrower fails to repay the principal or to make an interest payment on a loan investment when they are due, the Fund will suffer reduced cash inflows and interest income as a result. This may affect the Fund's ability to pay distributions or may impact upon the value of units in the Fund.

The following table below summarises the impact of a 10% default risk on the accrued interest receivable for the financial years ended 30 June 2019 and 2018.

	Default risk
	Impact on Operating profit/Net assets attributable to unitholders
30 June 2019	**-10%**
	$
Operating Profit	**(4,416)**

	Default risk
	Impact on Operating profit/Net assets attributable to unitholders
30 June 2018	**-10%**
	$
Operating Profit	**(2,697)**

(i) Delinquent loan investment sale risk

The Seller (under the instructions of the Investment Manager) will attempt to sell a Delinquent Loan Investment to a buyer and any balance of outstanding principal on the Delinquent Loan Investment will be made up from the funds in the Loan Investment Reserve Account, if there are sufficient funds available. However, there is no guarantee that a buyer will be available to purchase a Delinquent Loan Investment, nor is the price that will be obtained by the Fund through selling a Delinquent Loan Investment guaranteed. The Credit Manager is responsible for holding, operating and maintaining the Loan Investment Reserve Account. Refer to Note 15(b).

If the Fund ultimately receives less than the amount of the outstanding principal on a Delinquent Loan Investment and there are insufficient funds in the Loan Investment Reserve Account, then this will impact on the value of Loan Investments held by the Fund and will reduce the unit price of the Fund.

(j) Fraud risk

There is a risk that borrowers may deliberately fabricate evidence to support their loan applications and that they have no intention of paying off their loan. Although the Seller has procedures in place to detect fraudulent applications the risk of fraud

4. Financial Risk Management Objectives and Policies (continued)

(j) Fraud risk (continued)

cannot be discounted. If Loan Investments constituting fraudulently obtained loans are sold to the Fund then this could result in the unit price and returns from the Fund being affected.

(k) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

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 exercise of such discretion is in the best interest of unitholders. The Fund deferred redemptions during the financial year ended 30 June 2019 totalling $Nil. (30 June 2018: $Nil)

5. Financial Assets Measured at Amortised Cost

	30 June 2019 $	30 June 2018 $
Loan Investments – current	1,368,340	780,247
Loan Investments – non current	3,227,198	1,840,743
Total financial assets at amortised cost	**4,595,538**	**2,620,990**

The carrying amounts of Loan Investments are a reasonable approximation of their fair value at the reporting date.

6. Management Fees

Management Fees Paid and Payable to the Investment Manager

An investment management fee of 1.79375% per annum (inclusive of the net effect of GST) of the gross value of the assets of the Fund is paid monthly in arrears to the Responsible Entity, who then pays this fee to the Investment Manager in accordance with the PDS dated 28 April 2016.

The following fees were paid or payable to the Investment Manager as part of the Responsible Entity fee during the year ended 30 June 2019:

- Total management fees for the year ended 30 June 2019 were $63,385 (2018: $45,692).
- Management fees payable as at 30 June 2019 were $6,777 (2018: $3,959).

7. Fund Administration Fees

In accordance with the Fund's Constitution, the Responsible Entity is entitled to a fund administration fee of up to 1.045% per annum (inclusive of the net effect of GST) of the gross value of the assets. The Responsible Entity pays itself, the Fund administrator, the Fund's auditors, other service providers and the Fund's expenses (excluding abnormal expenses) out of this fee. This fee is accrued daily and is payable monthly in arrears out of the assets from the commencement of the Fund to the date of the final distribution following a winding up of the Fund in accordance with the Constitution.

The Fund has incurred $36,927 of administration fees for the year ended 30 June 2019 (2018: $26,619), of which $3,948 was payable to the Responsible Entity at the reporting date (2018: $2,306).

8. Other Assets

	30 June 2019 $	30 June 2018 $
Interest accrued on Loan Investments	42,250	25,721
GST receivable	1,905	1,253
Total other assets	**44,155**	**26,974**

9. Net Assets Attributable to Unitholders

Year ended 30 June 2019

	No. of Units	$
Opening balance as at 1 July 2018	2,664,915	2,664,915
Reinvestment of distributions by unitholders	43,908	43,908
Applications for units by unitholders	1,989,000	1,989,000
Redemptions of units by unitholders	(37,971)	(37,971)
Distributions paid to unitholders	-	275,908
Total comprehensive income	-	(275,908)
Closing balance as at 30 June 2019	**4,659,852**	**4,659,852**

Year ended 30 June 2018

	No. of Units	$
Opening balance as at 1 July 2017	2,234,662	2,234,662
Reinvestment of distributions by unitholders	21,141	21,141
Applications for units by unitholders	453,000	453,000
Redemptions of units by unitholders	(43,888)	(43,888)
Distributions paid to unitholders	-	186,080
Total comprehensive income	-	(186,080)
Closing balance as at 30 June 2018	**2,664,915**	**2,664,915**

10. Capital Management

As a result of the ability to issue, redeem and transfer units, the capital of the Fund can vary depending on the demand for redemptions and applications to the Fund. The Fund is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of redeemable units. The Fund's objectives for managing capital are:

- to invest the capital in investments meeting the description, risk exposure and expected return indicated in the Fund’s PDS;
- to achieve consistent returns while safeguarding capital by investing in unsecured loans made to personal borrowers resident in Australia;
- to maintain sufficient liquidity to meet the ongoing expenses of the Fund; and
- to maintain sufficient size to make the operation of the Fund cost-efficient.

11. Cash and Cash Equivalents

(a) Cash and cash equivalents include cash on hand and cash at bank. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	30 June 2019 $	30 June 2018 $
Cash at banks	**62,447**	**41,172**

(b) Reconciliation of net gain attributable to unitholders before finance costs for the year to net cash flows provided by operating activities:

	30 June 2019 $	30 June 2018 $
Net gain attributable to unitholders before finance costs	**275,908**	**186,080**
Change in assets and liabilities:		
Increase in other assets	(17,181)	(8,455)
Increase in trade and other payables	4,460	1,199
Net cash provided by operating activities	**263,187**	**178,824**

12. Interest Income

The following table provides information about the interest income generated from different sources during the financial years ended 30 June 2019 and 2018.

	30 June 2019 $	30 June 2018 $
Interest income received – Loan Investments	375,365	249,062
Interest income received – Cash and cash equivalents	1,563	2,705
	376,928	**251,767**

13. Commitments and Contingencies

There are no commitments or contingencies at 30 June 2019 (2018: $Nil).

14. Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year ended 30 June 2019 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 future financial years.

15. Related Party Transactions

Transactions with related parties have taken place at arm's length and in the ordinary course of business. For transactions during the year and amounts payable at year end between the Fund and the related parties, refer to Notes 6 and 7.

(a) One Managed Investment Funds Limited (the "Responsible Entity")

OMIFL has extensive experience as a corporate trustee and custodian, and is a professional responsible entity operating numerous schemes. OMIFL is a subsidiary of the One Investment Group which is an independent Australian funds management business that focuses on providing responsible entity/trustee and other services associated with funds management.

The key management personnel of the Responsible Entity for the financial year ended 30 June 2019 are:

Name	**Title**
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary (appointed as Director on 26 October 2018)
Justin Epstein	Non-Executive Director from 1 January 2019 (Executive director to 31 December 2018)
Elizabeth Reddy	Non-Executive Director (resigned 26 October 2018)

Holding of units by key management personnel and their associated entities for OMIFL at 30 June and interest held is as follows:

	30 June 2019		**30 June 2018**	
	Units held	**% of the Fund**	**Units held**	**% of the Fund**
Justin Epstein (*initial units)	10	0.00%	10	0.00%
One Managed Investment Funds Limited	5,000	0.11%	5,000	0.22%
	5,010	**0.11%**	**5,010**	**0.22%**

* Initial units issued at the time of the commencement of the Fund. Initial units held by Justin Epstein are not entitled to receive any return (both income and capital) from the Fund. Initial units will be cancelled by the Responsible Entity if the Fund is terminated in accordance with the Constitution.

No fees or remuneration were paid directly to the key management personnel from the Fund during the financial year ended 30 June 2019 (2018: $nil). Refer to Note 7 for the fees paid to the Responsible Entity.

The Responsible Entity has appointed third party service providers to the Fund, some of whom are related parties of the Responsible Entity. The following entities which are related parties of the Responsible Entity have provided services to the Fund during the financial year ended 30 June 2019:

- Unity Fund Services Pty Limited (ACN 146 747 122) – fund administration services
- Unity Tax Services Pty Limited (ACN 147 393 557) – taxation services
- One Registry Services Pty Limited (ACN 141 757 360) – unit registry services
- One Managed Investment Funds Limited (ACN 117 400 987) – also acts as custodian

None of the above have received any remuneration directly from the Fund in relation to these services and are remunerated out of the Responsible Entity fee disclosed in Note 7.

(b) Wisr Group

The Wisr Group of companies includes Wisr Finance Pty Ltd (the "Seller"), previously known as DirectMoney Finance Pty Ltd, Wisr Investment Management Pty Ltd (the "Investment Manager"), Wisr Loans Servicing Pty Ltd (the "Servicer"), previously known as DirectMoney Loans Servicing Pty Ltd, Wisr Credit Management Pty Ltd (the "Credit Manager") and Wisr Limited ("Wisr Parent") ("Wisr Group"), previously known as DirectMoney Limited. The Investment Manager, the Servicer and the Credit Manager are wholly owned subsidiaries of the Wisr Parent.

15. Related Party Transactions (continued)

(b) Wisr Group (continued)

Each of the Investment Manager, the Seller, the Servicer and the Credit Manager have been appointed by the Responsible Entity to fulfil a separate role for the Fund as follows:

- Wisr Investment Management Pty Ltd is the Investment Manager of the Fund. It is an authorised representative of Wisr Finance Pty Ltd (authorised representative no: 473725). Its primary role is to ensure the portfolio of the Fund is managed in accordance with its obligations contained in the Investment Management Agreement. Refer to Note 6 for details of management fees paid.
- Wisr Finance Pty Ltd is the seller of loans to the Fund. It holds an Australian credit licence (number 458572) and an AFS Licence (number 458572). It operates a web based lending platform through which it makes unsecured personal loans to Australian resident borrowers which are then available for sale to the Fund as Loan Investments. The Loan Investments are equitable interests which will entitle the Fund to receive all of the principal repayments and a portion of the monthly interest repayments made by borrowers on loans made by the Seller. Refer to Notes 3(g) and 4(a) for further details on Loan Investments.
- Wisr Loans Servicing Pty Ltd has been appointed as the servicer of Loan Investments for the Fund. It is responsible for monitoring and servicing the Loan Investments, ensuring that borrowers make repayments on time and it is responsible for following up on late payments from borrowers. No fees were paid to this entity during the financial year ended 30 June 2019.
- Wisr Credit Management Pty Ltd is responsible for holding, operating and maintaining the Loan Investment Reserve Account. It has provided a security interest to the Responsible Entity over monies held by it. No fees were paid to this entity during the financial year ended 30 June 2019.

The key management personnel of Wisr Group in relation to the Fund for the financial year ended 30 June 2019 are:

Name	Title
John Nantes	Executive chairman
Anthony Nantes	Chief Executive Officer
Mathew Lu	Chief Operating Officer
Peter Beaumont	Head of Growth
Craig Swanger	Independent Director
Chris Whitehead	Non-executive Director
Marianne Young	Credit Manager
Andrew Goodwin	Chief Financial Officer
Ray Tse	Portfolio Manager

Holding of units by key management personnel and their associated entities at 30 June and interest held is as follows:

	30 June 2019		30 June 2018	
	Units held	% of the Fund	Units held	% of the Fund
Wisr Finance Pty Ltd	518,000	11.12%	518,000	19.47%
Peter Beaumont and associated entities	80,000	1.72%	50,000	1.88%
Chris Whitehead	18,783	0.4%	17,342	0.65%
	616,783	**13.24%**	**585,342**	**22.00%**

Distributions paid and payable to key management personnel and their associated entities for the year ended 30 June 2019:

	Paid $	Payable $	Gross $	30 June 2018 $
Wisr Finance Pty Ltd	41,470	3,194	44,664	40,083
Peter Beaumont and associated entities	4,540	387	4,927	3,973
Chris Whitehead and associated entities	1,440	116	1,556	1,330

47,450	3,697	51,147	45,386

15. Related Party Transactions (continued)

(b) Wisr Group (continued)

No fees or remuneration were paid directly to the key management personnel from the Fund during the financial year ended 30 June 2019 (2018: $nil).

Details of delinquent loans bought back for the year ended 30 June 2019:

	30 June 2019 $	**30 June 2018 $**
Number of loans	14	8
Principal	215,932	63,346
Interest	4,849	2,198

16. Auditor's Remuneration

	30 June 2019 $	**30 June 2018 $**
Pitcher Partners Sydney		
Auditing of the the financial report	10,750	10,500
Other non-audit services		
Compliance plan audit fees – Ernst & Young	3,400	3,300
	14,150	**13,800**

The financial report and compliance plan auditor's remuneration was borne by the Responsible Entity in accordance with the Fund's constitution. There were no other services provided by the auditor to the Fund.