

PE Capital Y Fund

ARSN 613 288 967

Financial report for the financial period from 27 June 2016 to 30 June 2017

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Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the Responsible Entity of PE Capital Y Fund (ARSN 613 288 967) (the "Fund"), submit their report together with the financial statements for the Fund for the period 27 June 2016 to 30 June 2017.

Responsible Entity

The Responsible Entity of the Fund is OMIFL.

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

Investment manager

The investment manager of the Fund is PE Capital Funds Management Ltd (ACN 605 157 248) ("investment manager").

The principal place of business of the investment manager is Level 7, 2 Russell Street, Melbourne, Victoria 3000.

Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity, during the financial period and up to the date of this report are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director
Sarah Wiesener	Company Secretary

Principal Activities

The Fund is a registered managed investment scheme, domiciled in Australia. The Fund was constituted on 27 June 2016, registered as a managed investment scheme on 11 July 2016 and commenced operations on 7 October 2016.

The principal activity of the Fund during the period was to invest in accordance with the provisions of the Fund's Constitution and its most recent Product Disclosure Statement, dated 20 September 2016.

The Fund aims to provide Investors with twice yearly distribution through investment in an actively managed and diversified portfolio of assets, while affording flexibility to Investors who wish to withdraw from the Fund.

The Fund did not have any employees during the period.

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Comprehensive Income of these financial statements. The net profit attributable to unitholders for the financial period 27 June 2016 to 30 June 2017 was \$1,556.

Distributions

In respect of the financial period ended of 30 June 2017, a distribution of \$1,555 was declared to unitholders.

Directors' Report (continued)***Value of Assets and Units Issued***

The following units of the Fund were on issue at financial period end:

	No. of Units	Fair value (\$)
Ordinary units	69,656	69,522
Wholesale units	100,000	100,269
Total units	169,656	169,791

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the financial period and as at 30 June 2017.

Significant Changes in State of Affairs

There are no significant changes in the state of affairs of the Fund.

Subsequent Events

The Responsible Entity is in the process rolling the current PDS which is expected to be dated on or around 27th September 2017. There has not been any other matter or circumstance occurring subsequent to the end of the period 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 and Expected Results of Operations

The Fund will be managed in accordance with the Constitution and investment objectives as detailed in its most recent Product Disclosure Statement.

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 the financial period, the Responsible Entity paid premiums in respect of contracts insuring the directors of the Responsible Entity against a liability incurred as a director or executive officer to the extent permitted by the Corporations Act 2001. The contracts of insurance prohibit disclosure of the nature of the liability and the amount of the premiums.

The Fund has not directly indemnified or insured directors or officers. The Responsible Entity has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability.

Auditor

Crowe Horwarth Sydney was appointed as auditor of the Fund and continues in that office in accordance with Section 327 of the Corporations Act 2001.

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 4.

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

A handwritten signature in black ink, appearing to read "Frank Tearle". The signature is written in a cursive, flowing style.

Frank Tearle

Director

25th September 2017

25 September 2017

The Directors
One Managed Investment Funds Limited
As Responsible Entity of PE Capital Y Fund
Level 11
20 Hunter Street
Sydney NSW 2000

Dear Directors

PE Capital Y Fund

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of One Managed Investment Funds Limited.

As lead audit partner for the audit of the financial report of PE Capital Y Fund for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



CROWE HORWATH SYDNEY



JOHN HAYDON
Senior Partner

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 8 to 24 are in accordance with the *Corporations Act 2001*, including:
- compliance with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of the Fund's financial position as at 30 June 2017 and its performance for the financial period 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.
- (c) The financial statements are in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board, as noted in note 3(a).

Signed in accordance with a resolution of the directors of the Responsible Entity.

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



Frank Tearle

Director

25th September 2017

Independent Auditor's Report to the Unitholders of PE Capital Y Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of PE Capital Y Fund (the "Fund"), which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 27 June 2016 to 30 June 2017, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the PE Capital Y Fund is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 30 June 2017 and of its financial performance for the period from 27 June 2016 to 30 June 2017; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund 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.

Other Information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Fund's annual report for the period ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Responsible Entity 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* and for such internal control as the directors determine is necessary to enable the preparation of the 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 ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.



CROWE HORWATH SYDNEY



JOHN HAYDON
Senior Partner

Dated at Sydney this 25th day of September 2017

Statement of Profit and Loss and Other Comprehensive Income from 27 June 2016 to 30 June 2017

	Note	Period from 27 June 2016 to 30 June 2017 \$
Income		
Net gains/(losses) on financial instruments held at fair value through profit or loss	6	1
Interest income		166
Distribution income		3,006
Total profit		3,173
Expenses		
Management fees		860
Other expenses		757
Total expenses		1,617
Operating profit attributable to unitholders		1,556
Finance costs attributable to unitholders		
Distributions to unitholders		(1,555)
(Increase)/decrease in net assets attributable to unitholders	7	(1)
Profit/(loss) for the period		-
Other comprehensive income		-
Total comprehensive income for the period		-

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

Statement of Financial Position as at 30 June 2017

	Note	30 June 2017 \$
Assets		
Cash and cash equivalents	10 (a)	20,354
Other assets	9	440
Financial assets held at fair value through profit or loss	5	152,286
Total assets		173,080
Liabilities		
Other payables	9	3,289
Total liabilities (excluding net assets attributable to unitholders)		3,289
Net assets attributable to unitholders - liability	7	169,791

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

Statement of Changes in Equity for the financial period 27 June 2016 to 30 June 2017

	Period from 27 June 2016 to 30 June 2017
	\$
Total equity at the beginning of the period	
Profit /(loss) for the period	-
Other comprehensive income	-
Total comprehensive income	-
Transactions with owners in their capacity as equity holders	-
Total equity at the end of the financial period	-

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

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

Statement of Cash Flows for the period 27 June 2016 to 30 June 2017

	Period from 27 June 2016 to 30 June 2017
Note	\$
Cash flows from operating activities	
Net (payments)/receipts from purchase and sale of financial instruments held at fair value through profit or loss	(152,285)
Interest received	164
Bank and broker expenses paid	(1)
Distributions received	2,686
Net cash used in operating activities	(149,436)
Cash flows from financing activities	
Proceeds from unitholder applications	7 470,000
Payments for unitholder redemptions	7 (300,210)
Net cash provided by financing activities	169,790
Net increase in cash and cash equivalents	20,354
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	20,354
Non-cash financing activities	-

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

Notes to the Financial Statements

1. General Information

These financial statements cover PE Capital Y Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme, and was constituted on 27 June 2016, registered as a managed investment scheme on 11 July 2016 and commenced operations on 7 October 2016. These financial statements cover the period from 27 June 2016 to 30 June 2017. There are no comparatives.

The Responsible Entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) (the "Responsible Entity"). The Responsible Entity's registered office is Level 11, 20 Hunter Street Sydney NSW 2000.

The Fund typically invests in Government securities, corporate debt, notes and securities and hybrid securities.

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. Adoption of New and Revised Accounting Standards**a) New accounting standards and interpretation**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 'Leases'	1 January 2019	30 June 2020
Clarifications to IFRS 15 'Revenue from Contracts with Customers'	1 January 2018	30 June 2019
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers'	1 January 2018	30 June 2018
AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	30 June 2018
AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	30 June 2018

The Fund has not yet assessed the potential impact and applicability of the above new standards.

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.

Notes to the Financial Statements

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, the Corporations Act 2001, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board and the Fund's Constitution.

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"). Consequently, these financial statements have been prepared in accordance with and comply with IFRS as issued by the IASB.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements, as issued by the IASB. These policies have been consistently applied unless otherwise stated in the following text.

b) Basis of preparation

This general purpose financial report has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. The Fund is a for-profit entity for the purpose of preparing the financial statements.

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 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 balance sheet date.

In the case of net assets attributable to unitholders, the units are redeemed 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.

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

c) Going concern basis

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

d) Revenue and income recognition

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Changes in fair value of financial assets and liabilities are recognised in profit or loss in the year in which the changes occur.

Distributions

Distributions from investments are recognised when the right to receive the payment is established.

Interest income

Interest income is recognised on a time proportionate basis taking into account the effective yield on the financial assets.

Notes to the Financial Statements

3. Significant accounting policies (continued)

e) Expenses

All expenses, including the Responsible Entity's fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks.

g) Investments in financial instruments

Investments in financial instruments 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. The classification of each financial instrument is re-evaluated at each financial year end.

Designated at fair value through profit or loss

Investments of the Fund that have been designated at fair value through profit or loss include One Cash Management Fund ("OCMF") and PE Capital P1 Fund. All investments are initially recognised at fair value of the consideration paid including transaction costs. After initial recognition, the financial assets that are designated at fair value through profit or loss are re-valued to fair value at each reporting date.

The fair value of financial assets traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets and liabilities held by the Fund is the current close price.

Changes in the fair value of the investment are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

The investments held by the Fund have been designated at fair value through profit or loss as doing so results in more relevant information. These investments are part of a full group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

The Fund recognises a financial asset when it becomes a party to the contractual provisions of the instrument. Purchases and sales of investments in financial instruments are accounted for as at the trade date.

h) 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.

i) Distributions

In accordance with the Fund Constitution, the Fund fully distributes its distributable income, adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

The Fund aims to make distributions semi-annually. The Responsible Entity may make additional distributions at its discretion. There may be periods when the Fund does not make a distribution.

Notes to the Financial Statements**3. Significant accounting policies (continued)****j) Foreign currency transactions**

The functional and presentation currency for the Fund is Australian dollars. During the reporting period, the Fund did not engage in foreign currency transactions.

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) Receivables

Receivables may include amounts for interest and securities sold where settlement has not yet occurred. Interest is accrued in accordance with the method outlined in note 3 (d). Amounts are generally received within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss 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 profit or loss.

m) 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.

n) Net assets attributable to unitholders

Units in the PE Capital P1 Fund are redeemable at the discretion of the Trustee for the PE Capital P1 Fund, however, the investment into OCMF units are redeemable at the unitholders' option. 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 as the Fund is required to distribute its distributable income. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Fund.

o) 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.

For all of the Fund's financial instruments, quoted market prices are 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 Responsible Entity, independent of the area that created them:

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 note 5 of these financial statements.

Notes to the Financial Statements

3. Significant accounting policies (continued)

p) 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.

4. Financial Risk Management

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, currency 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. 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.

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the investment manager under policies approved by the Directors of the Responsible Entity. The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

a) Credit risk

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

The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivables.

In accordance with the Fund's policy, the investment manager monitors the Fund's credit position on an ongoing basis.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved; and
- ensuring that transactions are undertaken with a large number of counterparties.

There were no significant concentrations of credit risk to counterparties at 30 June 2017. The Fund only has a material credit risk exposure to the banks that holds the Fund's at 30 June 2017. Credit risk is mitigated by the Fund by investing their cash through major Australian bank.

Notes to the Financial Statements

4. Financial Risk Management (continued)

a) Credit risk (continued)

The following table details the breakdown by credit rating of cash and cash equivalents held by the Fund:

	30 June 2017
	\$
AA-	20,354
	<u>20,354</u>

(i) 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 purchase orders on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

b) Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices liquidity. Market risk is managed and monitored on an ongoing basis by the investment manager.

c) 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. The Fund's exposure to interest rate risk is set out in the following table:

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$	\$	\$	\$
30 June 2017				
Assets				
Cash and cash equivalents	20,354	-	-	20,354
Other assets	-	-	440	440
Financial assets held at fair value through profit or loss	121,685	-	30,601	152,286
Total assets	<u>142,039</u>	<u>-</u>	<u>31,041</u>	<u>173,080</u>
Liabilities				
Other payables	-	-	3,289	3,289
Total liabilities excluding net assets attributable to unitholders	<u>-</u>	<u>-</u>	<u>3,289</u>	<u>3,289</u>
Net exposure	<u>142,039</u>		<u>27,752</u>	<u>169,791</u>

The following table demonstrates the sensitivity of the Fund's net assets attributable to unitholders and operating profit to a reasonable change in interest rates, with all other variables constant. The 25 basis point sensitivity is based on a reasonable volatility of change in the AUD cash interest rate over the coming year. 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 variations in the risk variables.

	Change in basis points increase/(decrease)	Effect on operating profit and net assets attributable to unitholders (\$)
Year Ended 2017		
AUD interest rate	25bp/(25bp)	51/(51)

Notes to the Financial Statements

4. Financial Risk Management (continued)

d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments.

In order to control the liquidity risk associated with its investments, the Fund conducts its investing activities in accordance with agreed guidelines and leverage ratios to ensure a minimal concentration of risk.

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 unitholders. The Fund did not reject or withhold any redemption during the period ended 30 June 2017.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period from 30 June 2017 to the contractual maturity date. PE Capital P1 Fund is a monthly priced fund with limited redemption rights. The directors do 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.

	30 June 2017						Total
	On demand	< 1 month	1-3 months	3-6 months	6-12 months	> 12 months	
Liabilities	\$	\$	\$	\$	\$	\$	\$
Other payables	-	3,289	-	-	-	-	3,289
Net assets attributable to unitholders	139,190	-	-	-	-	30,601	169,791
Total liabilities	139,190	3,289	-	-	-	30,601	173,080

The amounts in the table are the contractual undiscounted cash flows. Balances equal their carrying balances, as the impact of discounting is not significant.

5. Investments in Financial Instruments

a) Financial assets held at fair value through profit or loss

	30 June 2017
	\$
Designated at fair value through profit or loss	
Investment in PE Capital P1 Fund	30,601
Investment in OCMF	121,685
Total investment	152,286
Total financial assets held at fair value through profit or loss	152,286

b) Fair Value Hierarchy

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis. The Fund has no assets and liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement 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).

Notes to the Financial Statements

5. Investments in Financial Instruments (continued)

b) Fair Value Hierarchy (continued)

Level 1:

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2:

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

The following table shows an analysis of financial instruments held at 30 June 2017 recorded at fair value and presented by level of the fair value hierarchy:

	30 June 2017			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Fund investment	-	-	152,286	152,286
Total financial assets held at fair value through profit or loss	-	-	152,286	152,286

Transfer between levels

There have been no transfers between levels for the period ended 30 June 2017.

c) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

6. Net gains/(losses) on financial instruments held at fair value through profit or loss

	30 June 2017 \$
Unrealised gains/(losses) on financial instruments designated at fair value through profit or loss	1
Realised gains/(losses) on financial instruments designated at fair value through profit or loss	-
Net gains/(losses) on financial Instruments designated at fair value through profit or loss	1

Notes to the Financial Statements

7. Net Assets Attributable to Unitholders

Movements in the number of units and net assets attributable to unitholders during the period were as follows:

	Period from 27 June 2016 to 30 June 2017	
	No. of Units	\$
Ordinary Units		
Opening balance	-	-
Applications for units by unitholders	69,656	70,000
Redemption for units by unitholders	-	-
Increase in net assets attributable to unitholders	-	(478)
Closing balance	69,656	69,522
	Period from 27 June 2016 to 30 June 2017	
	No. of Units	\$
Wholesale Units		
Opening balance	-	-
Applications for units by unitholders	400,000	400,000
Redemption for units by unitholders	(300,000)	(300,210)
Increase in net assets attributable to unitholders	-	479
Closing balance	100,000	100,269
Total	169,656	169,791

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.

8. Distributions to Unitholders

The Fund expects to make distributions on a semi-annual basis. Subject to the Constitution, distributions (if any) will generally be paid within 14 Business Days of 31 December and within three months of 30 June. Distributions are expected but not guaranteed.

Ordinary Units

	30 June 2017	
	\$	Cents per unit
Distribution payable:	637	0.9142
Total distribution	637	0.9142

Wholesale Units

	30 June 2017	
	\$	Cents per unit
Distribution payable:	918	0.9185
Total distribution	918	0.9185

At 30 June 2017, the Fund made \$1,555 distribution to unitholders.

Notes to the Financial Statements

9. Other Assets and Payables

	30 June 2017
	\$
GST receivable	120
Distribution receivable	320
Total other assets	440

	30 June 2017
	\$
Distribution payable	1,105
Management fees payable	925
General Fund expenses payable	809
Withholding tax payable	450
Total Other Payables	3,289

10. Cash and Cash Equivalents

a) Cash and cash equivalents include cash at banks held at St George 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 2017
	\$
St George Bank	20,354
	20,354

b) Reconciliation of profit/(loss) for the year to net cash flows used in operating activities:

	Period from 27 June 2016 to 30 June 2017
	\$
Profit/(loss) for the period	-
Decrease in net assets attributable to unitholders	1
Change in value of financial assets held at fair value through profit or loss	(1)
Proceeds from purchase of financial assets held at fair value through profit or loss	(152,285)
Change in assets and liabilities:	
Increase in receivables and other assets	(440)
Increase in payables	3,289
Net cash used in operating activities	(149,436)

Notes to the Financial Statements

11. Auditor's Remuneration

The auditor of the Fund is Crowe Horwarth Sydney. Auditor's remuneration for the year ended 30 June 2017 was paid by the investment manager:

	Period from 27 June 2016 to 30 June 2017 \$
Audit and other assurance services:	
Audit and review of financial statements	7,500
Total remuneration for audit and other assurance services	7,500

12. Related Party Transactions

The Responsible Entity of the Fund is OMIFL.

a) Management fees paid and payable to the investment manager

Management fees are the fees charged by the investment manager to provide investment management services to the Fund.

The investment manager charges 1.025% per annum for ordinary units and 0.5125% per annum for wholesale units of the gross value of the Fund's assets. As at 30 June 2017, the management fees expenses incurred by the Fund are \$860.

b) Responsible Entity, Custody fees and Operating costs and expenses and Expense Cap paid and payable to the Responsible Entity

RE fees are fees payable to the Responsible Entity for acting as the Responsible Entity of the Fund. The Responsible Entity is entitled to RE fee equal to the greater of \$73,150 per annum with annual CPI increases or 0.0836% per annum of the gross value of the Fund's assets.

Custody fees are fees payable to the Responsible Entity for performing the custodial services for the Fund. The Responsible Entity is entitled to a custody fee equal to the greater of \$24,600 per annum with the annual CPI increases or 0.03075% per annum of the gross value of the Fund's assets.

The expenses of the Fund are subject to the Expense Cap of 0.5225% per annum of the gross value of the Fund's assets. The expenses in the Expense Cap include, but are not limited to, the Fund's administration fees, registry fees, fees for audit of the Fund, mFund clearing and settlement service expenses, any asset consultant's fees and expenses properly incurred in connection with the Responsible Entity and the investment manager performing their duties and obligations in the day-to-day operation of the Fund. The investment manager has agreed to pay any operating costs and expenses of the Fund that exceed the Expense Cap. However, if the investment manager is unable to meet any excess expenses, then all the expenses incurred in running the Fund will be charged to the Fund itself.

As at 30 June 2017, the RE fees and custody fees paid was nil as both fees are included in general fund expense with total of \$754.

Notes to the Financial Statements

12. Related Party Transactions (continued)

b) Responsible Entity, Custody fees and Operating costs and expenses and Expense Cap paid and payable to the Responsible Entity (continued)**(i) Other fees paid to related parties**

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 period ended 30 June 2017:

- One Registry Services Pty Limited (ACN 141 757 360) – unit registry services

None of the above has received any remuneration directly from the Fund in relation to these services and is remunerated out of the Management Fee. To the extent there is a short fall to these expenses, they will be paid by the investment manager.

c) Key management personnel**(i) Directors**

The key management personnel of the Responsible Entity, during the period and up to the date of this report are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director
Sarah Wiesener	Company Secretary

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the period and as at 30 June 2017.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the period.

Key Management Compensation

Key management personnel of the Responsible Entity have not been compensated out of the Fund for the period ended 30 June 2017.

(ii) Other Key Management Personnel

The key management personnel of the investment manager at any time during the financial period are:

Name	Title
Simon Day	Chief Executive Officer
Greg Roberts	Compliance Director
Anthony Mann	Chief Operating Officer
Sam Osborne	Director Capital

Notes to the Financial Statements

12. Related Party Transactions (continued)

c) Key management personnel (continued)

(iii) Other Key Management Personnel Unit holdings

Holdings of Units

Unitholder	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
PE Capital Ltd	-	20,000	19,962	11.76%	20,000		183
Simon Mark Day	-	19,841	19,803	11.66%	19,841	-	181
Total	-	39,841	39,765	-	39,841	-	364

Except as disclosed above, no key management personnel have entered into any other transactions with the Fund during the financial period and there were no material balances involving key management personnel's interests outstanding at the end of the financial period.

Other Key Management Compensation

Key management personnel of the investment manager have not been compensated out of the Fund for the period ended 30 June 2017.

13. Commitments and Contingencies

There are no commitments or contingencies as at 30 June 2017.

14. Subsequent Events

The Responsible Entity is in the process rolling the current PDS which is expected to be dated on or around 27th September 2017. There has not been any other matter or circumstance occurring subsequent to the end of the period 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.