

DirectMoney Personal Loan Fund

ARSN 602 325 628

Financial report for the half-year ended 31 December 2019

Index to the Financial Statements

	Page
Directors' Report	1
Auditor's Independence Declaration	3
Independent Auditor's Report	4
Directors' Declaration	6
Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2019	7
Statement of Financial Position as at 31 December 2019	8
Statement of Changes in Equity	9
Statement of Cash Flows for the half-year ended 31 December 2019	10
Notes to the Financial Statements	
1. General Information	11
2. Adoption of New and Revised Accounting Standards	11
3. Significant Accounting Policies	11
4. Financial Assets Measured at Amortised Cost	12
5. Net Assets Attributable to Unitholders	12
6. Cash and Cash Equivalents	12
7. Interest Income	13
8. Commitments and Contingencies	13
9. Subsequent Events	13
10. Related Party Transactions	13

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) (the "Fund") submit their report for the Fund for the half-year ended 31 December 2019.

Responsible Entity

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

Information about the Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity, in office during the half-year ended 31 December 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 (resigned on 1 October 2019)
Michael Sutherland	Executive Director (appointed as Director on 1 October 2019)

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 half-year from 1 July 2019 to 31 December 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 (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.

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

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)

Directors' Report (continued)**Review of Operations**

Credit Manager	Wizr Credit Management Pty Ltd (ACN 604 841 750) (previously DirectMoney Credit Management Pty Ltd)
DirectMoney Parent	Wizr Limited (ACN 004 661 205) (previously DirectMoney Limited)
Auditor	Pitcher Partners Sydney (ABN 17 795 780 962)
Fund Administrator	Unity Fund Services Pty Limited (ABN 16 146 747 122)

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 half-year ended 31 December 2019 was \$177,458 (31 December 2018: \$124,739).

Distributions

In respect of half-year ended 31 December 2019, the Fund has distributed \$177,458 (31 Dec 2018: \$124,739) of income to the unitholders of which \$32,768 (30 June 2019: \$27,787) remained payable to the unitholders as at 31 December 2019.

Value of Assets and Units Issued

The total value of the Fund's assets at 31 December 2019 was \$5,000,797 (30 June 2019: \$4,702,140). The total number of units on issue as at 31 December 2019 was 4,951,559 (30 June 2019: 4,659,852).

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 half-year ended 31 December 2019:

	1 July 2019 to 31 December 2019 \$	1 July 2018 to 31 December 2018 \$
Responsible Entity, fund administration and management fees for the year to :		
One Managed Investment Funds Limited	70,450	44,298
Total Responsible Entity, fund administration and management fee expense for the year	70,450	44,298

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 3.

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



Frank Tearle

Director

11 March 2020

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**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 auditor's review of DirectMoney Personal Loan Fund for the half-year ended 31 December 2019, I declare 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 review.

This declaration is in respect of DirectMoney Personal Loan Fund.



C I Chandran
Partner

Pitcher Partners
Sydney

11 March 2020

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of DirectMoney Personal Loan Fund ("the Fund"), which comprises the statement of financial position as at 31 December 2019, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration of the Responsible Entity.

Directors' Responsibility for the Half-Year Financial Report

The directors of One Managed Investment Funds Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report, that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of DirectMoney Personal Loan Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the half-year financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of DirectMoney Personal Loan Fund is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Fund's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



C I Chandran
Partner

11 March 2020



Pitcher Partners
Sydney

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 and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* 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

11 March 2020

Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2019

		1 July 2019 To 31 December 2019 \$	1 July 2018 To 31 December 2018 \$
Revenue			
Interest income	7	254,550	169,744
Total revenue		254,550	169,744
Expenses			
Management fees		44,516	27,991
Fund administration fees		25,934	16,307
Delinquent loan interest written off		6,642	707
Total expenses		77,092	45,005
Net gain attributable to unitholders before finance costs		177,458	124,739
Finance costs attributable to unitholders			
Distributions to unitholders		177,458	124,739
Net gain attributable to unitholders after finance costs		-	-
Profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 31 December 2019

	Note	31 December 2019 \$	30 June 2019 \$
Assets			
Cash and cash equivalents	6	129,373	62,447
Other assets		46,924	44,155
Financial assets held at amortised cost	4	4,824,500	4,595,538
Total assets		<u>5,000,797</u>	<u>4,702,140</u>
Liabilities			
Distributions payable		32,768	27,787
Redemptions payable		4,363	3,776
Management fees payable		7,650	6,777
Administration fees payable		4,457	3,948
Total liabilities (excluding net assets attributable to unitholders)		<u>49,238</u>	<u>42,288</u>
Net assets attributable to unitholders - Liability		<u>4,951,559</u>	<u>4,659,852</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

In accordance with AASB 132 *Financial Instruments, Presentation*, the Fund's net assets attributable to unitholders are classified as liability. As a result, the Fund had no equity, and accordingly, no changes in equity have been presented for the half-year.

	Net assets attributable to unitholders of the Fund \$
Balance as at 1 July 2019	-
Reinvestment of distribution by unitholders	-
Applications for units by unitholders	-
Redemptions of units by unitholders	-
Net gain attributable to unitholders before finance costs	-
Distributions paid	-
Balance as at 31 December 2019	-

	Net assets attributable to unitholders of the Fund \$
Balance as at 1 July 2018	-
Reinvestment of distribution by unitholders	-
Applications for units by unitholders	-
Redemptions of units by unitholders	-
Net gain attributable to unitholders before finance costs	-
Distributions paid	-
Balance as at 31 December 2018	-

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the half-year ended 31 December 2019

		1 July 2019 to 31 December 2019 \$	1 July 2018 to 31 December 2018 \$
	Note		
Cash flows from operating activities			
Interest received		251,602	169,867
Payments to suppliers		(79,670)	(53,473)
Net GST received		4,139	2,568
Net cash provided by operating activities		176,071	118,962
Cash flows from investing activities			
Purchase of financial assets		(1,536,121)	(1,322,908)
Proceeds from repayment of principal		1,129,000	633,403
Proceeds from loans sold		178,159	134,246
Net cash used in investing activities		(228,962)	(555,259)
Cash flows from financing activities			
Distributions paid to unitholders		(152,689)	(106,413)
Receipts from unitholder applications		293,000	625,000
Payments for redemptions of units		(20,494)	(22,900)
Net cash provided by financing activities		119,817	495,687
Net increase in cash and cash equivalents		66,926	59,390
Cash and cash equivalents at the beginning of the half year		62,447	41,172
Cash and cash equivalents at the end of the half-year	5	129,373	100,562
Non-cash operating and financing activities – reinvestment of distributions		29,788	43,908

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. General Information

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made in respect of the fund during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

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 2019 to 31 December 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 half-year which had a significant impact on the reported position and performance of the Fund.

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

The half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half-year financial report has been prepared using the historical cost convention.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2019

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

b) Rounding of Amounts to the Nearest Dollar

Amounts in this half-year 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.

Notes to the Financial Statements

4. Financial Assets Measured at Amortised Cost

	31 December 2019 \$	30 June 2019 \$
Loan Investments – current	1,436,384	1,368,340
Loan Investments – non current	3,388,116	3,227,198
Total financial assets at amortised cost	4,824,500	4,595,538

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

5. Net Assets Attributable to Unitholders

Half-year ended 31 December 2019

	No. of Units	\$
Opening balance as at 30 June 2019	4,659,852	4,659,852
Reinvestment of distributions by unitholders	29,788	29,788
Applications for units by unitholders	283,000	283,000
Redemptions of units by unitholders	(21,081)	(21,081)
Distributions paid to unitholders	-	177,458
Total comprehensive income	-	(177,458)
Closing balance as at 31 December 2019	4,951,559	4,951,559

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

6. Cash and Cash Equivalents

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

	31 December 2019 \$	30 June 2019 \$
Cash at banks	129,373	62,447

Notes to the Financial Statements

7. Interest Income

The following table provides information about the interest income generated from different sources during the financial half-years ended 31 December 2019 and 2018.

	31 December 2019	31 December 2018
	\$	\$
Interest income received – Loan Investments	253,632	168,995
Interest income received – Cash and cash equivalents	918	749
	254,550	169,744

8. Commitments and Contingencies

There are no commitments or contingencies as at 31 December 2019 (2018: \$Nil).

9. Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the half-year ended 31 December 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.

10. Related Party Transactions

Transactions with related parties have taken place at arm's length and in the ordinary course of business.

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

The Responsible Entity 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 half-year ended 31 December 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 (resigned on 1 October 2019)
Michael Sutherland	Executive Director (appointed as Director on 1 October 2019)

Holding of units by key management personnel and their associated entities for the Responsible Entity at 31 December 2019 and interest held is as follows:

	31 December 2019		30 June 2019	
	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	0.10%	5,000	0.11%
	5,010	0.10%	5,010	0.11%

Notes to the Financial Statements

10. Related Party Transactions (continued)

* 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 half-year ended 31 December 2019 (2018: \$nil).

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 half-year ended 31 December 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.

(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.

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.
- 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 Note 4 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 half-year ended 31 December 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 half-year ended 31 December 2019.

Notes to the Financial Statements

10. Related Party Transactions (continued)

The key management personnel of Wizr Group in relation to the Fund for the half-year ended 31 December 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 31 December 2019 and interest held is as follows:

	31 December 2019		30 June 2019	
	Units held	% of the Fund	Units held	% of the Fund
Wizr Finance Pty Ltd	518,000	10.46%	518,000	11.12%
Peter Beaumont and associated entities	60,000	1.21%	60,000	1.29%
Chris Whitehead	18,783	0.38%	18,783	0.40%
	596,783	12.05%	596,783	12.81%

Distributions paid and payable to key management personnel and their associated entities for the half-year ended 31 December 2019:

	Paid \$	Payable \$	Total \$	31 December 2018
Wizr Finance Pty Ltd	18,623	3,423	22,046	24,592
Peter Beaumont and associated entities	2,770	529	3,299	2,585
Chris Whitehead	685	129	814	840
	22,078	4,081	26,159	28,017

No fees or remuneration were paid directly to the key management personnel from the Fund during the half financial year ended 31 December 2019 (2018: \$nil).

Details of delinquent loans sold back back to the Seller for the half-year ended:

	31 December 2019	31 December 2018
	\$	\$
Number of loans	12	8
Principal	178,159	134,246
Interest	6,738	3,172

Number of loans sold back to the Seller during the half-year has increased primarily due to the increased size of the Fund resulting in an increased number of Loan investments compared to previous period.