

18 March 2019

ASX Limited
ASX Market Announcements Office
Exchange Centre
Level 6, 20 Bridge Street
SYDNEY NSW 2000

EINVEST INCOME GENERATOR FUND (MANAGED FUND) (ASX: EIGA)

Interim Financial Report December 2018

Perennial Investment Management Limited as issuer of the eInvest Income Generator Fund (Managed Fund) provides the Interim Financial Report for the half-year ending 31 December 2018

Further information about the Fund can be obtained at

<https://einvest.com.au/einvest-income-generator/>

Investors can also call the investor service centre on **1300 554 474**

Yours sincerely



Bill Anastasopoulos
Company Secretary

Perennial Investment Management Limited as Responsible Entity for eInvest Income Generator Fund (Managed Fund).

About eInvest Income Generator Fund (Managed Fund)

eInvest Income Generator Fund (Managed Fund) is a registered managed investment scheme quoted on the ASX. The fund is open ended and it is expected that the number of units on issue will grow over time. The objective of the fund is to provide investors with an attractive level of tax effective income through an investment in a diversified portfolio of Australian shares, with income paid via monthly distributions. The fund aims to provide a gross yield, adjusted for applicable franking credits above that provided by the S&P/ASX 300 Franking Credit Adjusted Daily Return Total Index (Tax – Exempt).

The Responsible Entity is Perennial Investment Management Limited ABN 13 108 747 637, AFSL: 275101. The Investment Manager is Perennial Value Management Limited ABN 22 090 879 904 AFSL: 247293.

eInvest Income Generator Fund (Managed Fund)

ARSN 623 311 419

Interim report

For the half-year ended 31 December 2018

eInvest Income Generator Fund (Managed Fund)

ARSN 623 311 419

Interim report

For the half-year ended 31 December 2018

Contents

Directors' report	2
Auditor's independence declaration	4
Condensed statement of comprehensive income	5
Condensed statement of financial position	6
Condensed statement of changes in equity	7
Condensed statement of cash flows	8
Notes to the condensed financial statements	9
Directors' declaration	15
Independent auditor's review report to the unit holders of eInvest Income Generator Fund (Managed Fund)	16

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made in respect of eInvest Income Generator Fund (Managed Fund) during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim report covers eInvest Income Generator Fund (Managed Fund) as an individual entity.

The Responsible Entity of eInvest Income Generator Fund (Managed Fund) is Perennial Investment Management Limited (ABN 13 108 747 637) (AFSL 275101).

The Responsible Entity's registered office is Level 27, 88 Phillip Street, Sydney NSW 2000.

Directors' report

The Directors of Perennial Investment Management Limited, the Responsible Entity of eInvest Income Generator Fund (Managed Fund) (the "Fund"), present their report together with the interim financial statements of the Fund for the half-year ended 31 December 2018.

The Fund is a registered managed investment scheme domiciled in Australia.

Principal activities

The Fund was constituted on 12 October 2017, registered with the Australian Securities and Investments Commission on 19 December 2017 and commenced operations on 4 May 2018.

The Fund invests in a diversified portfolio of quality Australian shares listed (or soon to be listed) on the ASX in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the half-year.

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

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Perennial Investment Management Limited
Investment Manager	Perennial Value Management Limited
Custodian	National Australia Bank Limited
Unit Registry	Link Market Services Limited
Administrator	Mainstream Fund Services Pty Limited
Statutory Auditor	KPMG

Directors

The following persons held office as Directors of Perennial Investment Management Limited during the half-year or since the end of the half-year and up to the date of this report:

Name	Date of appointment
Anthony Patterson	Appointed 30 September 2016
Camilla Love	Appointed 30 September 2016
Mark Bennett	Appointed 14 February 2018

Review and results of operations

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

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

	Half-year ended 31 December 2018	For the period 19 December 2017 to 31 December 2017
Operating profit/(loss) for the half-year (\$'000)	(1,992)	-
Distributions paid and payable (\$'000)	530	-
Distributions (cents per unit)	10.02	-

Directors' report (continued)

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund that occurred during the half-year ended 31 December 2018.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may have a significant effect on:

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

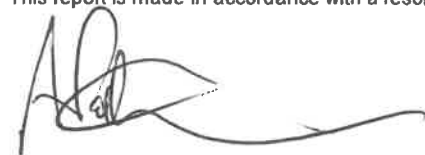
Rounding of amounts to the nearest dollar

Amounts in the Directors' report have been rounded to the nearest thousand 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 lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4 and forms part of this Directors' report.

This report is made in accordance with a resolution of the Directors of Perennial Investment Management Limited.



Anthony Patterson
Director
Perennial Investment Management Limited

Sydney
13 March 2019



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

To the Directors of Perennial Investment Management Limited

I declare that, to the best of my knowledge and belief, in relation to the review of elInvest Income Generator Fund (Managed Fund) for the half-year ended 31 December 2018 there have been:

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

KPMG

KPMG

Rachel Milum

Partner

Melbourne

13 March 2019

eInvest Income Generator Fund (Managed Fund)
Condensed statement of comprehensive income
For the half-year ended 31 December 2018

Condensed statement of comprehensive income

		For the period 19 December 2017 to 31 December 2017 \$'000
	Half-year ended 31 December 2018 \$'000	
	Note	
Investment income		
Interest income		6
Dividend income		1,973
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	(3,853)
Total investment income/(loss)		(1,874)
Expenses		
Management fees		67
Transaction costs		32
Other expenses		19
Total expenses		118
Operating profit/(loss) for the half-year		(1,992)
Other comprehensive income		-
Total comprehensive income for the half-year		(1,992)

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

eInvest Income Generator Fund (Managed Fund)
Condensed statement of financial position
As at 31 December 2018

Condensed statement of financial position

		As at	
		31 December	30 June
	Note	2018	2018
		\$'000	\$'000
Assets			
Cash and cash equivalents		2,490	1,253
Receivables	8	10	158
Due from brokers - receivable for securities sold		-	445
Financial assets held at fair value through profit or loss	5	18,552	16,143
Total assets		21,052	17,999
Liabilities			
Distributions payable	7	95	-
Payables	9	31	21
Due to brokers - payable for securities purchased		68	351
Total liabilities		194	372
Net assets attributable to unit holders – equity	6	20,858	17,627

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

eInvest Income Generator Fund (Managed Fund)
Condensed statement of changes in equity
For the half-year ended 31 December 2018

Condensed statement of changes in equity

		Half-year ended 31 December 2018 \$'000	For the period 19 December 2017 to 31 December 2017 \$'000
	Note		
Total equity at the beginning of the half-year		17,627	-
Comprehensive income for the half-year			
Profit/(loss) for the half-year	6	(1,992)	-
Other comprehensive income		-	-
Total comprehensive income		(1,992)	-
Transactions with unit holders			
Applications	6	6,217	-
Redemptions	6	(469)	-
Reinvestment of distributions	6	5	-
Distributions to unit holders	6	(530)	-
Total transactions with unit holders		5,223	-
Total equity at the end of the half-year		20,858	-

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

eInvest Income Generator Fund (Managed Fund)
Condensed statement of cash flows
For the half-year ended 31 December 2018

Condensed statement of cash flows

	Half-year ended 31 December 2018 \$'000	For the period 19 December 2017 to 31 December 2017 \$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	9,961	-
Payments for the purchase of financial instruments held at fair value through profit or loss	(16,061)	-
Interest income received	6	-
Dividends and distributions received	2,129	-
Management fees paid	(72)	-
Transaction costs paid	(32)	-
Other expenses paid	(12)	-
Net cash outflow from operating activities	(4,081)	-
Cash flows from financing activities		
Proceeds from applications by unit holders	6,217	-
Payments for redemptions by unit holders	(469)	-
Distributions to unit holders	(430)	-
Net cash inflow from financing activities	5,318	-
Net increase in cash and cash equivalents	1,237	-
Cash and cash equivalents at the beginning of the half-year	1,253	-
Cash and cash equivalents at the end of the half-year	2,490	-

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

Notes to the condensed financial statements

Contents

1 General information	10
2 Summary of significant accounting policies	10
3 Fair value measurement	11
4 Net gains/(losses) on financial instruments held at fair value through profit or loss	12
5 Financial assets held at fair value through profit or loss	12
6 Net assets attributable to unit holders	12
7 Distributions to unit holders	13
8 Receivables	13
9 Payables	13
10 Events occurring after the reporting period	14
11 Contingent assets and liabilities and commitments	14

1 General Information

These interim financial statements cover eInvest Income Generator Fund (Managed Fund) (the "Fund") as an individual entity. The Fund was constituted on 12 October 2017, registered with the Australian Securities and Investments Commission on 19 December 2017 and commenced operations on 4 May 2018 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Perennial Investment Management Limited (ABN 13 108 747 637) (AFSL 275101) (the "Responsible Entity"). The Responsible Entity's registered office is Level 27, 88 Phillip Street, Sydney NSW 2000. The interim financial statements are presented in the Australian currency unless otherwise noted.

The Responsible Entity is incorporated and domiciled in Australia.

The Fund invests in a diversified portfolio of quality Australian shares listed (or soon to be listed) on the ASX in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The interim 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 interim financial statements.

2 Basis of preparation

These interim financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2018.

(a) Significant accounting policies

Except as disclosed below, the accounting policies applied in these interim financial statements are the same as those applied to the Fund's financial statements for the year ended 30 June 2018.

The Fund had to change some of its accounting policies as a result of new and revised accounting standards which became effective for the first time in the current reporting period. The affected policies are:

- AASB 9 *Financial Instruments* (and applicable amendments)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The adoption of the amendment does not have a significant impact on the recognition, classification and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules does not have a material impact on the Fund.

- AASB 15 *Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends and distributions, and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Fund's accounting policies or the amounts recognised in the interim financial statements.

(b) Comparative period

The Fund was constituted on 12 October 2017, registered with Australian Securities and Investments Commission on 19 December 2017 and commenced operations on 4 May 2018. Hence there are no half-year comparatives for the condensed statements of comprehensive income, changes in equity and cash flows.

3 Fair value measurement

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 or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* 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).

For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

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

The fair value of financial assets and liabilities traded in active markets (such as listed equity, unit trusts and property trusts) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

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

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

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

(b) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 31 December 2018 and 30 June 2018.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 December 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed securities	18,552	-	-	18,552
Total financial assets	18,552	-	-	18,552
As at 30 June 2018				
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed securities	16,143	-	-	16,143
Total financial assets	16,143	-	-	16,143

3 Fair value measurement (continued)

(c) Transfer between levels

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

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

(d) Financial instruments not carried at fair value

The carrying value of receivables and payables are assumed to approximate their fair values.

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

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

Net gains/(losses) recognised in relation to financial assets and liabilities held at fair value through profit or loss:

	Half-year ended 31 December 2018 \$'000	For the period 19 December 2017 to 31 December 2017 \$'000
Financial assets		
Net gain/(loss) on financial assets designated as at fair value through profit or loss	(3,853)	-
Total net gains/(losses) on financial instruments held at fair value through profit or loss	(3,853)	-

5 Financial assets held at fair value through profit or loss

	As at 31 December 2018 \$'000	30 June 2018 \$'000
Designated at fair value through profit or loss		
Listed securities	18,552	16,143
Total financial assets held at fair value through profit or loss	18,552	16,143

6 Net assets attributable to unit holders

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

	Half-year ended 31 December 2018	\$'000	For the period 19 December 2017 to 31 December 2017	\$'000
	Units ('000)		Units ('000)	
Opening balance	4,283	17,627	-	-
Applications	1,506	6,217	-	-
Redemptions	(80)	(469)	-	-
Reinvestment of distributions	1	5	-	-
Distributions to unit holders	-	(530)	-	-
Profit/(loss) for the half-year	-	(1,992)	-	-
Closing balance	5,710	20,858	-	-

6 Net assets attributable to unit holders (continued)

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

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Units are redeemed on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term.

7 Distributions to unit holders

	Half-year ended 31 December 2018		For the period 19 December 2017 to 31 December 2017	
	\$'000	CPU	\$'000	CPU
Distributions				
July	79	1.67	-	-
August	83	1.67	-	-
September	86	1.67	-	-
October	92	1.67	-	-
November	95	1.67	-	-
December (payable)	95	1.67	-	-
Total distributions	530	10.02	-	-

8 Receivables

	As at	
	31 December 2018 \$'000	30 June 2018 \$'000
Interest receivable	1	1
Dividends receivable	-	156
GST receivable	9	1
Total receivables	10	158

9 Payables

	As at	
	31 December 2018 \$'000	30 June 2018 \$'000
Management fees payable	12	17
Recoverable fees payable	19	4
Total payables	31	21

10 Events occurring after the reporting period

No significant events have occurred since the end of the half-year which would impact on the financial position of the Fund as disclosed in the condensed statement of financial position as at 31 December 2018 or on the results and cash flows of the Fund for the half-year ended on that date.

11 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2018 and 30 June 2018.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) The interim financial statements and notes set out on pages 5 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- (c) The financial statement are in accordance with the Fund's Constitution.

This declaration is made in accordance with a resolution of the Directors of Perennial Investment Management Limited.



Anthony Patterson
Director
Perennial Investment Management Limited

Sydney
13 March 2019



Independent Auditor's Review Report

To the unitholders of eInvest Income Generator Fund (Managed Fund)

Conclusion

We have reviewed the accompanying **Interim Financial Report** of eInvest Income Generator Fund (Managed Fund) (the Scheme).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of eInvest Income Generator Fund (Managed Fund) is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Scheme's financial position as at 31 December 2018 and of its performance for the Interim Period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Statement of financial position as at 31 December 2018;
- Statement of profit or loss and other comprehensive income for the Interim Period ended on that date;
- Statement of changes in equity and Statement of cash flows for the Interim Period ended on that date;
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Interim Period** is the six months ended on 31 December 2018.

Responsibilities of the Directors for the Interim Financial Report

The Directors of Perennial Investment Management Limited (the Responsible Entity) are responsible for:

- the preparation of the Interim 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 Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Scheme's financial position as at 31 December 2018 and its performance for the interim period ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of eInvest Income Generator Fund (Managed Fund), *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for 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*.

A handwritten signature of the KPMG firm, written in a cursive style.

KPMG

A handwritten signature of Rachel Milum, written in a cursive style.

Rachel Milum

Partner

Melbourne

13 March 2019