

eInvest Income Generator Fund (Managed Fund)

ARSN 623 311 419

Interim report

For the half-year ended 31 December 2021

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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 2021 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 2021.

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 will aim to achieve this by investing in a diversified portfolio of quality Australian shares listed (or soon to be listed) on the ASX, which Perennial Value believes has the ability to pay an attractive level of dividend income and to grow in value over the long-term.

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.

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:

Anthony Patterson
 Camilla Love
 Mark Bennett

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 2021	Half-year ended 31 December 2020
Operating profit for the half-year (\$'000)	316	2,567
Distributions paid and payable (\$'000)	941	510
Distributions (cents per unit)	12.04	7.74

Directors' report (continued)

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Scheme that occurred during the reporting period.

Events occurring after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may have a significant effect on:

- (i) the operations of the Scheme in future reporting periods; or
- (ii) the results of those operations in future reporting periods; or
- (iii) the state of affairs of the Scheme in future reporting periods.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Environmental, social and governance (ESG) risks, including climate change, are identified, measured, monitored, reported and overseen in accordance with the Fund's Risk Management Framework.

Rounding of amounts to the nearest thousand dollars

The Fund is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Instrument, unless otherwise indicated.

Auditor's independence declaration

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
8 March 2022

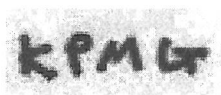


Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

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 2021 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

Joshua Pearse

Partner

Melbourne

8 March 2022

eInvest Income Generator Fund (Managed Fund)
Statement of comprehensive income
For the half-year ended 31 December 2021

Statement of comprehensive income

		Half-year ended 31 December 2021 \$'000	Half-year ended 31 December 2020 \$'000
	Note		
Investment income			
Dividend and distribution income		1,155	459
Net gains/(losses) on financial instruments at fair value through profit or loss	4	(653)	2,236
Total investment income		<u>502</u>	<u>2,695</u>
Expenses			
Management fees		98	70
Transaction costs		27	38
Other expenses		61	20
Total expenses		<u>186</u>	<u>128</u>
Operating profit for the half-year		<u>316</u>	<u>2,567</u>
Other comprehensive income		-	-
Total comprehensive income for the half-year		<u>316</u>	<u>2,567</u>

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

eInvest Income Generator Fund (Managed Fund)
Statement of financial position
As at 31 December 2021

Statement of financial position

		As at	
		31 December	30 June
		2021	2021
	Note	\$'000	\$'000
Assets			
Cash and cash equivalents		1,305	806
Receivables	8	36	147
Financial assets at fair value through profit or loss	5	29,645	28,166
Total assets		<u>30,986</u>	<u>29,119</u>
Liabilities			
Distributions payable	7	139	156
Payables	9	21	19
Total liabilities		<u>160</u>	<u>175</u>
Net assets attributable to unitholders – equity	6	<u>30,826</u>	<u>28,944</u>

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

eInvest Income Generator Fund (Managed Fund)
Statement of changes in equity
For the half-year ended 31 December 2021

Statement of changes in equity

		Half-year ended 31 December 2021 \$'000	Half-year ended 31 December 2020 \$'000
	Note		
Total equity at the beginning of the half-year		28,944	21,699
Comprehensive income for the half-year			
Profit for the half-year	6	316	2,567
Other comprehensive income		-	-
Total comprehensive income		316	2,567
Transactions with unitholders			
Applications	6	3,842	5,604
Redemptions	6	(1,427)	(4,374)
Unit issued upon Reinvestment of distributions	6	92	73
Distributions to unitholders	6 & 7	(941)	(510)
Total transactions with unitholders		1,566	793
Total equity at the end of the half-year		30,826	25,059

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

eInvest Income Generator Fund (Managed Fund)
Statement of cash flows
For the half-year ended 31 December 2021

Statement of cash flows

	Half-year ended 31 December 2021 \$'000	Half-year ended 31 December 2020 \$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	8,233	12,359
Payments for the purchase of financial instruments at fair value through profit or loss	(10,365)	(13,794)
Dividends and distributions received	1,266	514
Reduced input tax credit received / (paid)	-	(1)
Management fees paid	(96)	(68)
Transaction costs paid	(27)	(38)
Other expenses paid	(61)	(20)
Net cash outflow from operating activities	(1,050)	(1,048)
Cash flows from financing activities		
Proceeds from applications by unitholders	3,842	5,604
Payments for redemptions by unitholders	(1,427)	(4,374)
Distributions to unitholders	(866)	(461)
Net cash inflow from financing activities	1,549	769
Net increase/(decrease) in cash and cash equivalents	499	(279)
Cash and cash equivalents at the beginning of the half-year	806	1,022
Cash and cash equivalents at the end of the half-year	1,305	743

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

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 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 2021.

(a) Significant accounting policies

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 2021.

New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(b) Impact of standards issued but not yet applied by the Fund

i) AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

AASB 2021-2 amends AASB Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. Specifically, AASB 2021-2 amends:

- AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

This Standard applies to annual reporting periods beginning on or after 1 January 2022. These amendments are not expected to have significant impact on the Fund's financial statement.

3 Fair value measurement

The Fund measures and recognises financial assets and liabilities 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.

3 Fair value measurement (continued)

(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 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.

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 2021 and 30 June 2021.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 December 2021				
Financial assets				
Listed securities	29,645	-	-	29,645
Total financial assets	29,645	-	-	29,645
As at 30 June 2021				
Financial assets				
Listed securities	28,166	-	-	28,166
Total financial assets	28,166	-	-	28,166

(c) Transfer between levels

Transfer into and transfer out of fair value hierarchy levels are recognised 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.

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

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

	Half-year ended 31 December 2021 \$'000	Half-year ended 31 December 2020 \$'000
Financial assets		
Net gain/(loss) on financial assets at fair value through profit or loss	(653)	2,236
Total net gains/(losses) on financial instruments at fair value through profit or loss	(653)	2,236

eInvest Income Generator Fund (Managed Fund)
Notes to the financial statements
For the half-year ended 31 December 2021
(continued)

5 Financial assets at fair value through profit or loss

	As at	
	31 December 2021	30 June 2021
	\$'000	\$'000
Listed securities	29,645	28,166
Total financial assets at fair value through profit or loss	29,645	28,166

6 Net assets attributable to unitholders

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

	31 December 2021	For the half-year ended		31 December 2020
	No. '000	31 December 2020	31 December 2021	31 December 2020
	No. '000	No. '000	\$'000	\$'000
Opening balance	7,413	6,773	28,944	21,699
Applications	991	1,759	3,842	5,604
Redemptions	(372)	(485)	(1,427)	(4,374)
Unit issued upon Reinvestment of distributions	24	22	92	73
Distributions paid and payable	-	-	(941)	(510)
Profit for the half-year	-	-	316	2,567
Closing balance	8,056	8,069	30,826	25,059

7 Distributions to unitholders

	31 December 2021	For the half-year ended		31 December 2020
	\$'000	31 December 2021	31 December 2020	31 December 2020
	\$'000	CPU	\$'000	CPU
Distributions				
July	261	3.44	82	1.29
August	133	1.72	82	1.29
September	134	1.72	84	1.29
October	136	1.72	83	1.29
November	138	1.72	87	1.29
December (payable)	139	1.72	92	1.29
Total distributions	941	12.04	510	7.74

8 Receivables

	As at	
	31 December 2021	30 June 2021
	\$'000	\$'000
Dividends receivable	32	143
GST receivable	4	4
Total receivables	36	147

9 Payables

	As at 31 December 2021 \$'000	30 June 2021 \$'000
Responsible Entity fees payable	17	15
Recoverable expenses payable	4	4
Total payables	21	19

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 2021 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 2021 and 30 June 2021.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards as it relates to AASB 134 *Interim Financial Reporting*, 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 2021 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date: and
- (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.



Anthony Patterson
Director
Perennial Investment Management Limited

Sydney
8 March 2022



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 (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 2021 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 2021;
- 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 6 months ended on 31 December 2021.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Scheme 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



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. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Scheme's financial position as at 31 December 2021 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*.

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.



KPMG

Joshua Pearse

Partner

Melbourne

8 March 2022