

eInvest Better Future Fund (Managed Fund)

ARSN 629 136 536

Interim report

For the half-year ended 31 December 2022

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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 2022 and any public announcements made in respect of eInvest Better Future Fund (Managed Fund) during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Responsible Entity of eInvest Better Future 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 Better Future Fund (Managed Fund) (the "Fund"), present their report together with the interim financial statements of the Fund for the half-year ended 31 December 2022.

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

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:

A Patterson
C Love
M Bennett

Review and results of operations

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 2022	31 December 2021
Operating profit for the half-year (\$'000)	1,643	1,311
Distributions paid and payable (\$'000)	-	-
Distributions (cents per unit ("CPU"))	-	-

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 Fund that occurred during the reporting period.

Events occurring after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may have a significant effect on:

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

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.

A handwritten signature in black ink, appearing to read 'Anthony Patterson', with a long horizontal flourish extending to the right.

Anthony Patterson
Director
Perennial Investment Management Limited

Sydney
1 March 2023



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

To the Directors of Perennial Investment Management Limited, the Responsible Entity of elInvest Better Future Fund (Managed Fund)

I declare that, to the best of my knowledge and belief, in relation to the review of elInvest Better Future Fund (Managed Fund) for the half-year ended 31 December 2022 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

1 March 2023

eInvest Better Future Fund (Managed Fund)
Statement of comprehensive income
For the half-year ended 31 December 2022

Statement of comprehensive income

	Note	Half-year ended	
		31 December 2022 \$'000	31 December 2021 \$'000
Investment income			
Interest income		26	-
Dividend and distribution income		487	314
Net gains/(losses) on financial instruments at fair value through profit or loss	4	<u>1,330</u>	<u>1,280</u>
Total investment income		<u>1,843</u>	<u>1,594</u>
Expenses			
Management fees		163	131
Performance fees		-	114
Transaction costs		18	17
Other expenses		<u>19</u>	<u>21</u>
Total expenses		<u>200</u>	<u>283</u>
Operating profit/(loss) for the half-year		<u>1,643</u>	1,311
Other comprehensive income		-	-
Total comprehensive income/(loss) for the half-year		<u>1,643</u>	<u>1,311</u>

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

eInvest Better Future Fund (Managed Fund)
Statement of financial position
As at 31 December 2022

Statement of financial position

	Note	As at	
		31 December 2022 \$'000	30 June 2022 \$'000
Assets			
Cash and cash equivalents		2,949	2,490
Receivables	8	48	80
Due from brokers - receivable for securities sold		-	45
Financial assets at fair value through profit or loss	5	35,212	31,345
Total assets		38,209	33,960
Liabilities			
Payables	9	32	28
Distributions payable		-	1,612
Due to brokers - payable for securities purchased		65	-
Total liabilities		97	1,640
Net assets attributable to unitholders – equity	6	38,112	32,320

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

eInvest Better Future Fund (Managed Fund)
Statement of changes in equity
For the half-year ended 31 December 2022

Statement of changes in equity

	Note	Half-year ended	
		31 December 2022 \$'000	31 December 2021 \$'000
Total equity at the beginning of the half-year		32,320	17,182
Comprehensive income for the half-year			
Profit/(loss) for the half-year		1,643	1,311
Other comprehensive income		-	-
Total comprehensive income/(loss)		1,643	1,311
Transactions with unitholders			
Applications	6	4,502	19,544
Redemptions	6	(353)	(812)
Total transactions with unitholders		4,149	18,732
Total equity at the end of the half-year		38,112	37,225

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

eInvest Better Future Fund (Managed Fund)
Statement of cash flows
For the half-year ended 31 December 2022

Statement of cash flows

	Half-year ended	
	31 December 2022 \$'000	31 December 2021 \$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	5,666	7,496
Payments for the purchase of financial instruments at fair value through profit or loss	(8,093)	(23,986)
Interest income received	26	-
Dividends and distributions received	518	314
Responsible Entity fees paid	(159)	(116)
Performance fees paid	-	(114)
Transaction costs paid	(18)	(17)
Other expenses paid	(18)	(31)
Net cash inflow/(outflow) from operating activities	(2,078)	(16,454)
Cash flows from financing activities		
Proceeds from applications by unitholders	4,502	19,543
Payments for redemptions by unitholders	(353)	(812)
Distributions paid to unitholders	(1,612)	(518)
Net cash inflow/(outflow) from financing activities	2,537	18,213
Net increase/(decrease) in cash and cash equivalents	459	1,759
Cash and cash equivalents at the beginning of the half-year	2,490	1,571
Cash and cash equivalents at the end of the half-year	2,949	3,330

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

1 General information

These interim financial statements cover eInvest Better Future Fund (Managed Fund) (the "Fund") as an individual entity. The Fund was constituted on 27 September 2018, registered with the Australian Securities and Investments Commission on 16 October 2018, commenced operations on 22 May 2019 and will terminate on 27 September 2098. The Fund's units commenced trading on the Australian Securities Exchange (ASX: IMPQ) on 23 May 2019.

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 2022.

(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 2022.

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 2022 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

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2022 reporting period and have not been applied in the financial statements. The directors' of the Responsible Entity assessment of these new standards (to the extent relevant to the Fund) and interpretations are set out below:

(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.

(ii) AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*.

This standard amends:

- AASB 1, to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
- AASB 3, to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations;
- AASB 9, to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
- AASB 116, to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
- AASB 137, to specify the costs that an entity includes when assessing whether a contract will be loss-making; and
- AASB 141, to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

These standards applies to annual reporting periods beginning on or after 1 January 2023. These amendments are not expected to have a significant impact on the Fund's financial statement.

There are no other new accounting standards and other authoritative pronouncements that are expected to have a material impact on the Fund.

3 Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

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);
- 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, listed unit trusts and listed 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.

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 2022 and 30 June 2022.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 December 2022				
Financial assets				
Listed securities	35,212	-	-	35,212
Total financial assets	35,212	-	-	35,212
As at 30 June 2022				
Financial assets				
Listed securities	31,345	-	-	31,345
Total financial assets	31,345	-	-	31,345

(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 during the half-year ended 31 December 2022 (30 June 2022: Nil).

4 Net gains 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 2022 \$'000	31 December 2021 \$'000
Financial assets		
Net gain/(loss) on financial assets at fair value through profit or loss	1,330	1,280
Total net gains/(losses) on financial instruments at fair value through profit or loss	1,330	1,280

5 Financial assets at fair value through profit or loss

	As at	
	31 December	30 June
	2022	2022
	\$'000	\$'000
Listed securities	35,212	31,345
Total financial assets at fair value through profit or loss	35,212	31,345

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:

	For the half-year ended			
	31 December 2022		31 December 2021	
	No. '000	\$'000	No. '000	\$'000
Opening balance	7,298	32,320	3,031	17,182
Applications	956	4,502	3,303	19,544
Redemptions	(77)	(353)	(137)	(812)
Profit/(loss) for the half-year	-	1,643	-	1,311
Closing balance	8,177	38,112	6,197	37,225

7 Distributions to unitholders

There were no distribution paid or payable to the unitholders during the half year (2021: Nil).

8 Receivables

	As at	
	31 December	30 June
	2022	2022
	\$'000	\$'000
Dividends receivable	42	73
GST receivable	6	7
Total receivables	48	80

9 Payables

	As at	
	31 December	30 June
	2022	2022
	\$'000	\$'000
Responsible Entity fees payable	29	25
Recoverable expenses payable	3	3
Total payables	32	28

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 statement of financial position as at 31 December 2022 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 2022 and 30 June 2022.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 5 to 11 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 2022 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 statements 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
1 March 2023



Independent Auditor's Review Report

To the Unitholders of eInvest Better Future Fund (Managed Fund)

Conclusion

We have reviewed the accompanying **Interim Financial Report** of eInvest Better Future 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 Better Future Fund (Managed Fund) 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 2022 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 2022;
- Statement of profit or loss and other comprehensive income 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 2022.

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 these requirements.



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
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities 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 Registered Scheme's financial position as at 31 December 2022 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 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

1 March 2023