



# MoneySpot Investment Fund

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## Annual Report

Consolidated Financial Statements for the year ending 30 June 2022

ARSN 616 929 849

## Index to the Financial Statements

	Page
<b>Responsible Entity's Report</b>	1
<b>Auditor's Independence Declaration</b>	7
<b>Independent Auditor's Report</b>	8
<b>Directors' Declaration</b>	11
<b>Financial Statements</b>	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	12
Consolidated Statement of Financial Position	13
Consolidated Statement of Changes in Net Assets Attributable to Unitholders	14
Consolidated Statement of Cash Flows	15
<b>Notes to the Financial Statements</b>	
1. General information	16
2. Adoption of new and revised accounting standards and interpretations	16
3. Significant accounting policies	16
4. Financial risk management objectives and policies	21
5. Interest income	24
6. Management fees	24
7. Administration costs and recoverable expenses	25
8. Cash and cash equivalents	26
9. Financial assets at amortised cost	27
10. Net assets attributable to unitholders	27
11. Capital management	28
12. Commitments and contingencies	28
13. Changes in state of affairs	29
14. Subsequent events	29
15. Related party transactions	29
16. Auditor's remuneration	32

## Responsible Entity's Report

The Directors of MSI Funds Management Limited (ABN 31 614 077 995; AFSL 491 268) ("MSI"), the Responsible Entity, of MoneySpot Investment Fund (the "Fund") submit their report to the Unitholders for the period ending 30 June 2022.

### Directors

The names of the directors of the Responsible Entity, in office during the year ended 30 June 2022 are:

David Trew	Executive Director
David Spessot	Executive Director
Michael Prior	Director

The Fund did not have any employees during the reporting period.

### Principal activities

The Fund is a registered managed investment scheme, domiciled in Australia, with the principal place of business at Level 1, 7-11 Little Buckingham Street, Surry Hills NSW 2010. MSI is both the Responsible Entity and the Investment Manager of the Fund.

The Fund was constituted on 2 February 2017 and commenced operations on 13 April 2017 and is an open-ended multi-class Fund.

The Fund seeks to deliver targeted returns for each Unit Class by investing in Unsecured Loan Notes issued by MoneySpot Finance Pty Ltd ("MoneySpot Finance"), a related party of the Responsible Entity. The Fund has invested its Assets in a manner consistent with this investment objective and achieved the targeted returns over the medium term in accordance with the current Product Disclosure Statement (PDS) dated 30 May 2021 and the Supplementary Product Disclosure Statement relating to Class B Units issued on 27 April 2021.

The multi-class structure of the Fund and the provisions of the Fund Constitution create a parent-subsidiary relationship between the Fund and the MSI Fund Sub Trust B. Consequently, the financial statements accompanying this report have been prepared on a consolidated basis, comprising:

- MoneySpot Investment Fund (the "Head Trust")
- MSI Fund Sub Trust B (the "Sub Trust B")

Furthermore, on 26 April 2022, a new class of units (Class C) of MoneySpot Investment Fund was created by Directors' resolution, and the first units were issued on 4 May 2022. Class C units are open only to wholesale clients, mostly professional investors as defined in the Corporations Act 2001, and the minimum investment is \$2.5 million.

On 26 May 2022, MSI Fund Sub Trust C (the "Sub Trust C") was established to specifically invest in Unsecured Loan Notes issued by MoneySpot Finance and earning interest of 22.2% p.a. The Assets attributable to the Class C units, which consisted of these 22.2% Unsecured Loan Notes, were initially held by the Head Trust. These were subsequently transferred to a separate custody account held by One Managed Investment Funds Limited (OMIFL), in trust for the Sub Trust C, after the balance sheet date. The Sub Trust C also has a parent-subsidiary relationship with the Head Trust similar to the Sub Trust B.

## Responsible Entity's Report (cont.)

During the reporting period the following organisations provided services to the Fund.

<b>Fund Service</b>	<b>Provider</b>
Responsible Entity	MSI Funds Management Limited (ABN 31 614 077 995)
Custodian	One Managed Investment Funds Limited (ABN 47 117 400 987)
Auditor	Mazars Assurance Pty Ltd (ACN 132 902 188, AAC 338599)
Fund Administrator	Unity Fund Services Pty Ltd (ABN 16 146 747 122)

## Review of Operations

### **Investment activities**

During the period, the Fund invested in Unsecured Loan Notes issued by MoneySpot Finance, a participant in the Australian small and medium personal and business loan segment of the credit market. Throughout the period, the Fund's assets were wholly invested in Unsecured Loan Notes and cash balances were retained only for the purpose of meeting the ongoing costs of administering the Fund.

The Unsecured Loan Notes issued by MoneySpot Finance and held by the Fund attracted coupon rates of between 15% and 22% per annum.

### **Investment results and distributions**

The financial performance of the Fund is set out in detail in the Consolidated Statement of Profit or Loss and Other Comprehensive Income of the financial statements.

During the period, the Fund achieved its targeted returns and income attributable to unitholders for the period was \$5,423,500 (2021: \$2,974,235). All income was either distributed to unitholders during the period or was paid subsequent to the balance date.

The increase in income reflects the increase in Fund Assets over the period from \$31m to approximately \$62m as described elsewhere in this report.

Income and distributions attributable to each Unit Class are set out in the table below:

		<b>2022</b>	2021
<b>Net Income</b>		<b>\$5,423,500</b>	\$2,974,235
Distribution Paid & Payable (\$)		<b>\$5,423,500</b>	\$2,974,235
	Class A	<b>\$3,257,987</b>	\$2,974,235
	Class B	<b>\$1,734,051</b>	-
	Class C	<b>\$431,462</b>	-
Distribution (cents per unit)			
	Class A	<b>12.7245</b>	13.0292
	Class B	<b>14.3040</b>	-
	Class C	<b>2.8764</b>	-
Returns <sup>(1)</sup>			
	Class A	<b>13.5%</b>	13.4%
	Class B	<b>15.3%</b>	3.2%
	Class C	<b>2.9%</b>	-

Notes: (1) Investment returns are unaudited and calculated using the NAV unit price for respective classes (i.e., pre-tax, net of fees and costs) and assume reinvestment of distributions

## Responsible Entity's Report (cont.)

### Value of assets and units issued

During the period, the Assets of the Fund increased materially. As the value of the Unsecured Loan Notes held by the Fund have not been revalued, the increase in the value of Assets is wholly due to an increase in Units on Issue.

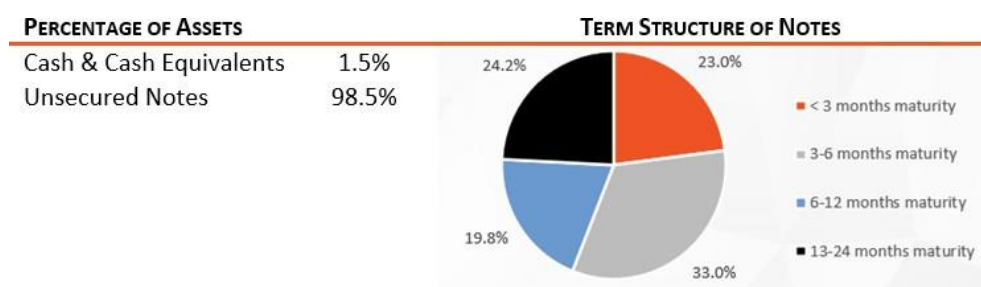
Approximately half of the inflow of funds during the period was due to the establishment of a Wholesale Class of Units in May 2022. The remainder reflects continued steady inflows from new and established unit holders. At the end of the period there were 580 unitholders (2021: 470).

The table below sets out the value of units on issue and the corresponding Financial Assets of the Fund at financial year end:

	2022		2021	
	Assets (\$) <sup>(1)</sup>	No. of Units	Assets (\$) <sup>(1)</sup>	No. of Units
Class A	26,126,868	26,626,642	22,742,301	22,817,392
Class B	20,781,568	20,360,575	7,797,859	7,797,859
Class C	15,000,000	15,000,000	-	-
Total	61,908,436	61,987,217	30,540,160	30,615,251

Notes: <sup>(1)</sup> Refer to Note 9 of the Notes to the Financial Statements.

Unsecured Loan Notes purchased throughout the period ranged in maturity between 7 days and 2 years. The Assets of the Fund's as at June 30, 2022 were invested as illustrated below:



### Expense recovery fees paid and payable to the Responsible Entity

The Constitution of the Fund allows for all properly incurred expenses to be recovered directly from the Fund and does not place any limit on the amount or types of expenses that can be recovered. If applicable, when expenses are paid by the Fund, they will be deducted from the Fund's assets and reflected in the Fund's unit price. Expenses are generally paid when incurred.

Expenses incurred by the Responsible Entity during the reporting period and attributable to the Fund relate to the costs of maintaining the Compliance Committee, Insurance and Investor Services.

### Management fees paid and payable to the Responsible Entity

The following fees were paid or payable to the Responsible Entity out of the Fund's assets during the year ended 30 June 2022:

- Total management fees for the year were \$534,787 (2021: \$237,617).
- Management fees payable as at 30 June 2022 were \$68,780 (2021: \$25,796).

## Responsible Entity's Report (cont.)

### **Subsequent Events**

On 1 September 2022, the Head Trust transferred two loan notes totaling \$15 million in value to the Sub Trust C. In return, the Sub Trust C issued 15 million of its units to the Head Trust. This process has taken place under the Fund's Custody Agreement with OMIFL dated 25 August 2022.

On 29 September 2022, a new PDS was issued by the Responsible Entity containing the required disclosures for Class A, Class B and the newly created Class C units.

Other than disclosed above, there have been no other matters or circumstances occurring subsequent to the year ended 30 June 2022 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 periods.

### **Environmental regulation and performance**

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

### **Indemnification of directors, officers and auditors**

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

The Responsible Entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred by such an officer or auditor.

### **Auditor's independence declaration**

A copy of the Auditors Independence Declaration as required under Section 307C of the Corporations Act 2001 is provided in the Annual Report.

The Responsible Entity's report is made in accordance with a resolution of the directors of the Responsible Entity, MSI Funds Management Limited.



David Spessot  
Executive  
Director Sydney  
30 September 2022

**Auditor's independence declaration to the Directors of  
MoneySpot Investment Fund**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

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

**Mazars Assurance Pty Limited**  
Authorised Audit Company: 338599

A handwritten signature in black ink, appearing to be 'M.J. Green', with a long horizontal line extending to the right.

M.J. Green  
Director  
Brisbane 30 September 2022

## Independent Auditor’s Report to the members of MoneySpot Investment Fund

### Report on the Financial Report

We have audited the accompanying financial report of MoneySpot Investment Fund (the “Fund”), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of MoneySpot Investment Fund is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Fund's financial position as at 30 June 2022 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Fund, would be in the same terms if given to the directors as at the time of this auditor’s report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
<b>Financial Assets (Note 3(f), 4, 9)</b>	
At 30 June 2022, the Fund held financial assets classified at amortised cost and valued at \$61.9 million. These assets represented 98% of the total assets of the Fund and comprise unsecured loan notes, with a term of 7 days to 2 years, issued by ACL holders that participate in the small, medium, and personal loan segment of the credit market or short-term unsecured loans on similar terms. Those loan notes are issued by MoneySpot Finance Pty Ltd, in accordance with the description of the business contained in the Product Disclosure	Our procedures around financial assets included, but were not limited to: <ul style="list-style-type: none"> <li>▪ Substantively testing loan notes issued to the Fund during the year.</li> <li>▪ Performing substantive analytical review procedures on loan notes.</li> <li>▪ Enquiring as to the financial position of the note issuer, being MoneySpot Finance Pty Ltd and the financial position of the MoneySpot Finance Group.</li> </ul>



Key Audit Matter	How we addressed the Key Audit Matter
Statement, dated 30 May 2021 and Supplementary Product Disclosure Statement, dated 27 April 2021 for B Class Units. This was a key audit matter because of the significance of financial assets to the Fund's total assets.	<ul style="list-style-type: none"> <li>▪ Considering disclosure of the investments and related matters in the financial report.</li> </ul>

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Fund's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

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

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

### Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## mazars

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Mazars logo is written in a stylized, cursive script.

**Mazars Assurance Pty Limited Authorised  
Audit Company: 338599**

A handwritten signature in black ink, consisting of a large, stylized initial 'M' followed by a horizontal line extending to the right.

M. J. Green  
Director

Brisbane 30 September 2022

## 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 are in compliance with International Financial Reporting Standards as stated in Note 1 to the financial statements; and
- (c) In the directors' opinion, the attached financial statements and notes, as set out on page 12 to 32, are in accordance with the Corporations Act 2001, including compliance with accounting standards 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, MSI Funds Management Limited.



David Spessot  
Executive  
Director Sydney  
30 September 2022

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2022

	Note	30 June 2022 \$	30 June 2021 \$
<b>Revenue</b>			
Interest income	5	6,279,065	3,428,832
Other investment income		-	2,983
<b>Total revenue</b>		<b>6,279,065</b>	<b>3,431,815</b>
<b>Expenses</b>			
Management fee	6	534,787	237,617
Administration costs	7	320,698	219,921
Bank Fees		80	42
<b>Total expenses</b>		<b>855,565</b>	<b>457,580</b>
<b>Net gain attributable to unitholders</b>	10	<b>5,423,500</b>	<b>2,974,235</b>
<b>Finance costs attributable to unitholders</b>			
Distributions to unitholders		<b>(5,423,500)</b>	<b>(2,974,235)</b>
<b>Net gain attributable to unitholders after finance costs</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) for the year</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

## Consolidated Statement of Financial Position as at 30 June 2022

	30 June 2022	30 June 2021
Note	\$	\$
<b>Assets</b>		
Cash and cash equivalents	8(a) 104,044	514,252
GST receivable	14,393	7,324
Receivables	-	8,500
Interest receivable	875,106	-
Financial assets	9 61,908,979	30,540,160
<b>Total Assets</b>	<b>62,901,979</b>	<b>31,070,236</b>
<b>Liabilities</b>		
Distributions payable	771,775	342,403
Interest payable	-	2,258
Redemption payable	-	8,500
Payable to MoneySpot Finance	4,449	-
Other payable	138,423	97,719
Withholding tax payable	114	87
<b>Total liabilities (excl. net assets attributable to unitholders)</b>	<b>914,761</b>	<b>450,967</b>
<b>Net assets attributable to unitholders</b>	10 <b>61,987,218</b>	<b>30,619,269</b>

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

## Consolidated Statement of Changes in Net Assets Attributable to Unitholders for the year ended 30 June 2022

	<b>30 June 2022</b>	30 June 2021
<b>Note</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	<b>30,619,269</b>	14,336,257
Issue of units	<b>33,257,110</b>	20,189,270
Reinvestments	<b>900,423</b>	561,735
Redemptions	<b>(2,789,584)</b>	(4,467,993)
Net gain attributable to unitholders	<b>5,423,500</b>	2,974,235
Distributions paid and payable	<b>(5,423,500)</b>	(2,974,235)
<b>Balance at the end of the year</b>	<b>10    61,987,218</b>	<b>30,619,269</b>

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

## Consolidated Statement of Cash Flows for the year ended 30 June 2022

	30 June 2022	30 June 2021
Note	\$	\$
<b>Cash flows from operating activities</b>		
Interest received	5,406,149	3,434,086
Payment to suppliers	(790,879)	(421,867)
Net cash inflow from operating activities	8(b) 4,615,270	3,012,219
<b>Cash flows from investing activities</b>		
Payments for Loan Notes	(35,485,061)	(20,535,216)
Redemption of Loan Notes	4,090,285	2,962,504
Net cash outflow from investing activities	(31,394,776)	(17,572,712)
<b>Cash flows from financing activities</b>		
Receipts from unitholders	33,260,431	20,189,271
Redemptions to unitholders	(2,798,085)	(3,101,403)
Distributions paid to unitholders	(4,093,048)	(2,219,686)
Net cash inflow from financing activities	26,369,298	14,868,182
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(410,208)</b>	<b>307,689</b>
Cash and cash equivalents at the beginning of the year	514,252	206,563
<b>Cash and cash equivalents at the end of the year</b>	8(a) 104,044	514,252

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

## Notes to the Financial Statements

### 1. General information

This financial report is for the MoneySpot Investment Fund (ARSN 616 929 849) (referred to as “the Fund”), an unlisted registered managed investment scheme, domiciled in Australia. MSI Funds Management Limited (“MSI”) is the Responsible Entity of the Fund.

This financial report covers the period from 1 July 2021 to 30 June 2022 and is authorised for issue by the Directors of the responsible entity on 30 September 2022. The Directors have the power to amend the report after the issue.

The Fund was constituted on 2 February 2017, registered as a managed investment scheme on 3 February 2017 and commenced operations on 13 April 2017.

	Class A	Class B	Class C
Commencement	13 April 2017	27 April 2021	4 May 2022
Units on Issue	26.6m	20.4m	15.0m

### 2. Adoption of new and revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published and were mandatory for 30 June 2022 reporting periods. The directors’ assessment of the impact of these new standards and interpretations is that they had no material impact on any of the amounts recognised in the financial statements or the type of information disclosed in relation to the Fund.

### 3. Significant accounting policies

#### (a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board, the Fund's Constitution and the *Corporations Act 2001* in Australia.

Compliance with Australian Accounting Standards, as issued by the AASB, ensures that the financial statements and notes thereto comply with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.



### **3. Significant accounting policies (continued)**

#### **(b) Basis of preparation**

This general-purpose financial report has been prepared using historical cost basis.

The Consolidated Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unitholders. The amounts expected to be received or settled in relation to these balances cannot be readily determined.

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

#### **(c) Going concern basis**

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

#### **(d) Revenue and income recognition**

##### *Revenue*

Revenue is recognised and measured at the fair value of the consideration received or receivable using a five-step model for recognizing revenue from contracts with customers. According to the standard, revenue must be allocated to performance obligations based on relative transaction prices. A performance obligation is defined as a promise to transfer goods and/or services to a customer. The recognition takes place over time or at a specific point in time, with passing of controls as the key criterion.

##### *Interest Income*

Interest income is recognised as the interest accrues using the effective interest rate method, which is the rate that exactly discounts future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

#### **(e) Cash and cash equivalents**

Cash and cash equivalents comprise cash held at bank.

#### **(f) Financial instruments**

##### ***Non-derivative financial instruments***

Non-derivative financial instruments comprise of cash and cash equivalents, financial assets, loans and receivables, as defined by AASB 132 'Financial Instruments: Presentation' and are categorised in accordance with AASB 9 'Financial Instruments.' This classification is determined by the purpose underpinning the acquisition of the investment.

### 3. Significant accounting policies (continued)

#### (f) Financial instruments (continued)

##### *Initial recognition and measurement*

Financial instruments, incorporating financial assets and financial liabilities, are initially recognised using trade date accounting i.e., when the Fund becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value plus, in the case of a financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

##### *Effective interest rate method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

##### *Derecognition*

Financial assets are derecognised if the Fund's contractual rights to the cash flows from the financial assets expire, or if the Fund transfers the financial assets to another party without retaining substantially all the risks and rewards attached to the asset. Financial liabilities are derecognised if the Fund's obligations specified in the contract expire or are discharged or cancelled.

##### *Impairment*

The financial assets held at amortised cost are subject to impairment testing. At the end of each reporting period, the Fund assesses the expected credit loss attributable to the financial assets and determines whether additional impairment is required.

##### **Unsecured Loan Notes**

The Fund invests in Unsecured Loan Notes which are issued by related party, MoneySpot Finance Pty Ltd ("MoneySpot Finance" or the "Note Issuer"), a participant in the small, medium and personal loan segment of the credit market with a term of between 7 days and 2 years.

Although the notes issued are secured by a general security deed over MoneySpot Finance's present and after acquired property, the notes are 'unsecured notes' pursuant to section 283BH of the Corporations Act.

The notes have a face value of \$1.00 per note with a coupon rate of approximately 15% per annum for Class A unitholders and from April 2021, a coupon rate of approximately 17% per annum for Class B unitholders, and a coupon rate of 22.20% per annum for Class C unitholders from May 2022, although this may change over time in accordance with changes in credit markets. Interest on the notes is payable monthly.

### 3. Significant accounting policies (continued)

#### (f) Financial instruments (continued)

##### Unsecured Loan Notes (continued)

	30 June 2022	30 June 2021
	\$	\$
Unsecured Loan Notes at amortised cost - current -15%	26,126,868	22,742,301
Unsecured Loan Notes at amortised cost - current - 17%	20,781,568	7,797,859
Unsecured Loan Notes at amortised cost - current - 22.2%	15,000,000	
	<b>61,908,436</b>	<b>30,540,160</b>

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. In accordance with AASB 132 where unitholders funds are classified as a financial liability and disclosed as such in the Consolidated Statement of Financial Position, they are referred to as "Net assets attributable to unitholders".

##### Derivative financial instruments

During the year, the Fund did not hold any derivative financial instruments to hedge its interest rate risk exposures.

#### g) Taxation

Under the current tax legislation, the Fund is not subject to income tax provided that the unitholders are presently entitled to the income of the Fund and that the Fund entirely distributes its taxable income.

There is no taxable income of the Fund to which the unitholders are not currently entitled. Additionally, the Fund's Constitution requires the distribution of the full amount of the net taxable income of the Fund to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that the taxable gains are realised by the Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

#### h) Distributions

In accordance with the Fund's Constitution, the Responsible Entity must pay distributions to unitholders within 90 days after the Distribution Calculation Date. According to the current Product Disclosure Statement ("PDS") dated 30 May 2021, the intention is that distributions will be paid monthly.

#### i) Payables

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

### 3. Significant accounting policies (continued)

#### *j) Applications and redemptions*

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

#### *k) Critical accounting judgements and key sources of estimation uncertainty*

Management has adhered to the Fund's unit pricing policy which sets out the basis upon which the units of the Fund have been valued, a copy of which is available upon request.

In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the determination of the value of financial instruments are outlined in Note 3(f) of these financial statements.

#### *l) Goods and services tax ("GST")*

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the amount of GST is not recoverable from the taxation authority, it is recognised as part of acquisition of an asset or part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the tax authority is included as part of receivables or payables. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, management fees, administration fees and legal fees were subjected to the Reduced Input Tax Credits ("RITCs") in accordance with legislation.

The following RITC rates were applied by the Fund during the reporting year ended 30 June 2022.

<b>Services Supplied</b>	<b>RITC Rate</b>
Trustee and RE services	55%
Investment manager	75%

#### **4. Financial risk management objectives and policies**

The Fund seeks to maintain the capital value of all investments made. The principal risk to this objective is the default of a Note Issuer on maturity of a Note due to a lack of liquidity or insolvency.

As the Fund invests wholly in Notes issued by MoneySpot Finance, the Assets of the Fund and the principal investments made by investors are exposed to the underlying operational and credit risk management of the Note Issuer.

Historically, MoneySpot Finance's portfolio default rates have ranged from 4% to 10% of the principal amount lent with default rates at the higher end of the range typically experienced during periods of high growth in the loan portfolio.

Were the Note Issuer to experience actual default rates significantly above this level for an extended period of time, then the risk of default on the maturity of a Note will be increased.

In this situation, the options for the Fund include, but may not be limited to, suspending interest payments for a specified period and/or extending the maturity date of all or a proportion of the maturing Unsecured Loan Notes where the Custodian is satisfied the Credit Provider can recover or exercising the Fund's rights granted in the security deed.

In the event of a Note Issuer failing to make an interest payment or repaying a maturing note, the Issuer is said to be in Default. It is likely in this event that the Fund would revalue the Unsecured Loan Notes held by the Fund. A devaluation of the Assets held by the Fund would result in a decrease in the Unit Price of the respective Classes of the Fund.

##### **(a) Return risk**

This is the risk that the Assets the Fund acquires may not be able to provide sufficient income to cover the Fund's Administrative Costs. As a result, the Fund may not generate an income and may not meet its targeted return rate or in some circumstances make a loss.

An investment in the Fund is not the same as depositing money in an account with a bank and an investment in the Fund is riskier than depositing money in a transactional bank account or term deposit with a bank.

An investment in the Fund is also not covered by the depositor protections available to depositors that make a deposit with an Australian Depository Institution ("ADI"). Returns are not guaranteed.

##### **(b) Creditor risk**

There is a risk that either the entities in which the Fund invests, for example, MoneySpot Finance, or the borrowers to whom entities, such as MoneySpot Finance, lend may not be able to meet their financial obligations to pay interest and/or principal in respect of the Fund's investments or loans when they fall due, which could impact upon the Fund's performance and the value of Units.

#### **4. Financial risk management objectives and policies (continued)**

##### **(b) Creditor risk (continued)**

As at the close of the reporting period, MoneySpot Finance had approximately \$3,000,000 in secured debt. Please note this amount may fluctuate up and down over time. MoneySpot Finance has granted a general security deed over all of its present and after acquired assets other than real property for \$1,000,000. MoneySpot Finance has granted an additional \$2,000,000 security over real property. This security ranks ahead of the security granted to Note Holders under the note deed poll until such time as the security is released. When repaid, the security granted to the lenders will be released and the Note Holders' security should rank first. There is no prescribed time frame within which MoneySpot Finance must repay the secured debt.

As disclosed above, MoneySpot Finance, including its operating subsidiaries has entered into external finance arrangements other than its Note Issuance program to fund its loan book growth.

MoneySpot Finance may undertake additional significant borrowings to accommodate the growth of the loan book and the conditions of those arrangements are likely to include granting security over all present and after acquired property other than land in favour of the lenders of that debt.

The ranking of such security to external borrowers may be higher than that granted to the Fund.

##### **(c) Regulation risk**

The entities that the Fund invests in, issue loans that are usually unsecured, smaller, of a shorter duration and attract a higher fee or interest rate than standard secured loans usually offered by a bank. As a result, the consumer loan sector has attracted attention from government regulators and consumer advocates in the past who have argued for tighter regulation and a reduced fee structure. While the consumer loan sector generally and small and medium amount credit contracts specifically are subject to prescriptive government regulation, there is a risk that changes to the regulatory framework may affect the Fund meeting its investment return objective.

##### **(d) Concentration risk**

Currently, the Fund invests substantially in Unsecured Loan Notes issued by MoneySpot Finance for the primary purpose of funding the loan book of MoneySpot Finance. The Fund's stated strategy is to invest the first \$100 million it raises in Unsecured Loan Notes issued by MoneySpot Finance.

MoneySpot Finance is a related entity of the Responsible Entity and participates in the small and medium loans segment of the credit market. It will use the funds it receives from the Fund to further participate in the small and medium loans segment of the market. While this segment can be especially profitable with a lower overall default risk due to the spread of loans over thousands of borrowers, all the loans are being made by one entity, MoneySpot Finance. The Fund will therefore depend on the performance of MoneySpot Finance to be able to lend and collect interest and principal repayments from its borrowers, and this risk is not spread across different Note Issuers for the first \$100 million of investment monies raised.

##### **(e) Defaults and non-performing loans**

Investors should note the Responsible Entity believes it is inevitable that some of MoneySpot Finance's loans will become delinquent as a result of borrowers' failure or inability to pay, despite diligent credit assessment measures undertaken by MoneySpot Finance. Therefore, Investors should be aware the Fund will bear some risk in this regard.

#### **4. Financial risk management objectives and policies (continued)**

##### ***(e) Defaults and non-performing loans (continued)***

If default rates in the consumer loan portfolio were to occur on a larger than expected scale, the Note Issuer's ability to pay the coupon rate and principal repayments under the Unsecured Loan Notes it issues the Fund may be negatively affected.

Historically, MoneySpot Finance has incurred portfolio default rates ranging from 4% to 10% of the principal amounts lent with default rates at the higher end of the range typically experienced during periods of high growth in the loan portfolio. Historical default rates however may not be repeated in the future and there is a risk that default rates in the future could vary significantly.

##### ***(f) Loan origination risk***

A failure by MoneySpot Finance or other Credit Provider to deploy funds to its Borrowers may compromise the Note Issuers' ability to make interest payments on the Unsecured Loan Notes held by the Fund.

If there is insufficient demand for funds from the Credit Providers the Fund may not be fully invested. Significant cash balances on the Fund's balance sheet or investments in assets that earn less than the Targeted Return rate would compromise the ability of the Fund to meet the Targeted Returns for the respective unit classes.

##### ***(g) Legal & regularity change***

Changes in laws (including taxation laws) or their interpretation, including changes in the practice and policy of regulators, may have a negative impact on the Fund. In addition, if the AFSL of the Responsible Entity or the ACL of MoneySpot Finance is suspended or revoked, then this could impact adversely on the Fund. A deficiency in loan documentation could also, in some circumstances, adversely affect the return from the Fund's investments.

##### ***(h) Related parties and conflicts of interest***

The Responsible Entity has significant roles and responsibilities in relation to the Fund. It is a related party and is a wholly-owned entity of MoneySpot Finance and the Fund is the sole holder of the Unsecured Loan Notes issued by MoneySpot Finance. There is a risk that decision-making between the entities may not be impartial. This may adversely affect the viability of the Fund.

##### ***(i) Operational and procedural risk***

The success of the Fund is dependent upon the operational stability of the Fund, in particular the operating and administration procedures and operational controls established by the Responsible Entity. A breakdown in the administrative procedures or operational controls may cause a disruption of day-to-day Fund operations. Such interruptions may arise internally through human error or technology and infrastructure failure or possible external events such as natural disasters or regulatory changes. Whilst procedures to address such occurrences are in place and the procedures are monitored, these risks cannot be mitigated entirely

##### ***(j) Liquidity risk***

The Fund is illiquid. This means investors will only be able to redeem units from the Fund in response to a withdrawal offer made by the Responsible Entity. The Responsible Entity can only make withdrawal offers if there are sufficient assets available to it to satisfy any withdrawal requests made in response to the offer. The availability of assets is primarily affected by the returns the Fund receives from its investments, in particular, the payment of coupon amounts by MoneySpot Finance and repayment of Unsecured Loan Notes on maturity.

#### 4. Financial risk management objectives and policies (continued)

##### (k) Fraud

There is a risk that borrowers may deliberately fabricate evidence to support their loan applications and that they have no intention of paying off their loan. Although MoneySpot Finance has procedures in place to detect fraudulent applications, the risk of fraud cannot be completely discounted.

##### (l) Multi-unit class risk

Interests in the Fund are divided into Units and the Units are further divided into Unit Classes. Each Unit Class receives the net distributable income attributable to its assets, being the interest income on Unsecured Loan Notes less expenses. However, there is a risk that the expenses or liabilities of one Unit Class may affect the value of the other Unit Classes in the Fund and if one Unit Class is unable to pay its expenses or there is a default on a Note held by another Class, the Fund as a whole may be impacted.

Although Class Assets are segregated in the Sub Trusts, there is legally no separation between the assets and liabilities of each Unit Class and investors have only a beneficial interest in those Assets.

#### 5. Interest income

The following table provides information about the interest income generated from different sources during the financial year ended 30 June 2022.

	<b>30 June 2022</b>	30 June 2021
	\$	\$
Unsecured Loan Notes	<b>6,278,164</b>	3,428,290
Cash at bank	<b>901</b>	542
<b>Total for the year</b>	<b>6,279,065</b>	3,428,832

#### 6. Management fees

In accordance with the Fund's Constitution, The Responsible Entity is entitled to an ongoing management fee of up to three percent per annum of the Fund's Net Asset Value. This fee is accrued daily and is payable quarterly in arrears out of the assets of the Fund from the commencement of the Fund to the date of the final distribution following a winding up of the Fund in accordance with its Constitution. The value of the assets will be determined as at the most recent valuation time.

The ongoing management fee comprise of an investment management fee of 1.4% per annum of the net value of the Fund's assets.

Management fees are the fees payable under the Constitution to the Responsible Entity for the management of the Fund.



## 6. Management fees (continued)

The following fees were paid or payable to the Responsible Entity out of the Fund's assets during the year ended 30 June 2022:

- Total management fees and expense recovery fees for the year ended 30 June 2022: \$534,787 (2021: \$398,671)
- Management fees and expense recovery fees payable as at 30 June 2022: \$68,780 (2021: \$25,796)

## 7. Administration costs and recoverable expenses

The Constitution of the Fund allows for all properly incurred expenses to be recovered directly from the Fund and does not place any limit on the amount or types of expenses that can be recovered. If applicable, when expenses are paid by the Fund, they will be deducted from the Fund's assets and reflected in the Fund's unit price. Expenses are generally paid when incurred.

Expenses incurred by the Responsible Entity during the reporting period and attributable to the Fund relate to the costs of maintaining the Compliance Committee, Insurance and Investor Services.

The estimated annual administrative expenses of the Fund is estimated to be 0.8% per annum of the Fund's assets. Administration costs and recoverable expenses for the reporting period ending 30 June 2022 amounted to \$320,698 (30 June 2021: \$219,921).

**8. Cash and cash equivalents**

- (a) Cash and cash equivalents include cash at bank net of any outstanding overdrafts. Cash at the end of the reporting period as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	<b>30 June 2022</b>	30 June 2021
	\$	\$
Cash at bank	<b>104,044</b>	514,252

- (b) Reconciliation of net gain attributable to unitholders before finance costs for the year to net cash flows provided by operating activities:

	<b>30 June 2022</b>	30 June 2021
	\$	\$
Profit for the year	<b>5,423,500</b>	2,974,235
<b>Change in assets and liabilities:</b>		
Net changes in receivables	<b>(885,496)</b>	13
Net changes in payables	<b>77,266</b>	37,971
<b>Net cash inflow from operating activities</b>	<b>4,615,270</b>	3,012,219

## 9. Financial assets at amortised cost

	30 June 2022	30 June 2021
	\$	\$
Unsecured Loan Notes at amortised cost - current - 15%	26,126,868	22,742,301
Unsecured Loan Notes at amortised cost - current - 17%	20,781,568	7,797,859
Unsecured Loan Notes at amortised cost - current - 22.2%	15,000,000	-
	<b>61,908,436</b>	<b>30,540,160</b>

The Loan Notes have a face value of \$1 per note with a coupon rate of 15% per annum and a fixed term of 6 months. In April 2021, loan notes with a coupon rate of 17% per annum were issued for unitholders of Class B units and in May 2022, loan notes with a coupon rate of 22.20% per annum were issued for unitholders of Class C. The carrying amounts of loan notes are a reasonable approximation of the fair value at the reporting date.

## 10. Net assets attributable to unitholders

Year ended 30 June 2022	No. of Units	\$
Opening balance	30,616,269	30,616,269
Applications for units by unitholders	33,257,110	33,257,110
Units re-invested	900,423	900,423
Redemptions	(2,789,584)	(2,789,584)
Distributions paid to unitholders	-	(5,423,500)
Net gain attributable to unitholders	-	5,423,500
<b>Balance as at 30 June 2022</b>	<b>61,984,218</b>	<b>61,984,218</b>
Year ended 30 June 2021	No. of Units	\$
Opening balance	14,336,257	14,336,257
Applications for units by unitholders	20,189,270	20,189,270
Units re-invested	561,735	561,735
Redemptions	(4,467,993)	(4,467,993)
Distributions paid to unitholders	-	(2,974,235)
Net gain attributable to unitholders	-	2,974,235
<b>Balance as at 30 June 2021</b>	<b>30,619,269</b>	<b>30,619,269</b>

## 11. Capital management

As a result of the ability to issue, redeem and transfer units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of redeemable units. The Fund's objectives for managing capital are:

- to invest the capital in investments meeting the description, risk exposure and expected return indicated in the Fund's PDS;
- to achieve consistent returns while safeguarding capital by investing in Unsecured Loan Notes made to the Note Issuer;
- to maintain sufficient liquidity to meet the ongoing expenses of the Fund; and
- to maintain sufficient size to make the operation of the Fund cost-efficient.

## 12. Commitments and contingencies

The Responsible Entity has entered into a Custody Agreement in respect of the Fund. The Custodian has been appointed under the Custody Agreement to hold the Fund's assets. The Custodian's duties also include maintaining certain records relating to the assets and providing quarterly reports to the Responsible Entity. The Custodian's liability under the Custody Agreement is limited, except in the case of fraud, willful default, negligence or breach of the Custody Agreement by the Custodian.

The Custodian is entitled to be indemnified or reimbursed for expenses incurred in connection with the performance of its duties and the exercise of its powers under the Custodian Agreement. Either party may terminate the agreement immediately on the occurrence of certain other events, including, acts of insolvency, and material breaches of the agreement.

However, the terms of the Custody Agreement include minimum initial terms and should the Responsible Entity wish to terminate the Agreement without cause within the Initial Term the Fund shall be liable for any Custody Fees for the remaining period within the Initial Term (Termination Fee).

At the date of this report, the Initial Term and Fees for the Custody Agreements are set out below:

- MoneySpot Investment Fund - Initial Term expired 9 December 2020. Minimum Annual Fee \$28,000
- MSI Fund Sub Trust B - Initial Term expires 19 May 2023. Minimum Annual Fee \$24,000
- MSI Fund Sub Trust C - Initial Term expires 29 June 2024. Minimum Annual Fee \$20,000

Should the Unit Classes of the Fund undergo a reorganisation that results in the consolidation of Sub Trusts and the termination of a Sub Trust Custody Agreement then the Fund Custody Agreement will be subject to a new Minimum Term of 2 years (Restructure Term) and will become liable for Termination Fees should the Responsible Entity then terminate the Fund Custody Agreement within the Restructure Term.

Other than as mentioned above, there were no other commitments or contingencies at 30 June 2022 (2021: nil).

### 13. Changes in state of affairs

On 26 April 2022, a new class of units (Class C) of MoneySpot Investment Fund was created by Directors' resolution, and the first units were issued on 4 May 2022. Class C units are open only to wholesale clients, mostly professional investors as defined in the Corporations Act 2001, and the minimum investment is \$2.5 million.

On 26 May 2022, MSI Fund Sub Trust C (the "Sub Trust C") was established to specifically invest in Unsecured Loan Notes issued by MoneySpot Finance and earning interest of 22.2% p.a. The Assets attributable to the Class C units, which consisted of these 22.2% Unsecured Loan Notes, were initially held by the Head Trust. These were subsequently transferred to a separate custody account held by One Managed Investment Funds Limited (OMIFL), in trust for the Sub Trust C, after the balance sheet date. The Sub Trust C also has a parent-subsidiary relationship with the Head Trust similar to the Sub Trust B.

Other than disclosed above, there have been no other significant changes in the state of affairs of the Fund during the financial year.

### 14. Subsequent events

On 1 September 2022, the Head Trust transferred two loan notes totaling \$15 million in value to the Sub Trust C. In return, the Sub Trust C issued 15 million of its units to the Head Trust. This process has taken place under the Fund's Custody Agreement with OMIFL dated 25 August 2022.

On 29 September 2022, a new PDS was issued by the Responsible Entity containing the required disclosures for Class A, Class B and the newly created Class C units.

Other than disclosed above, there has been no other matter or circumstance occurring subsequent to the year ended 30 June 2022 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 periods.

### 15. Related party transactions

#### (a) MSI Funds Management Limited (the Responsible Entity)

MSI Funds Management Limited is an unlisted public company which holds AFS Licence number 491 268. It is wholly owned by MoneySpot Finance Pty Ltd, a small and medium amount credit contract provider which holds an Australian Credit Licence.

The key management personnel of the Responsible Entity for the financial year ended 30 June 2022 are:

<b>Name</b>	<b>Title</b>
David Trew	Executive Director
David Spessot	Executive Director
Michael Prior	Director

**15. Related party transactions (continued)****(a) MSI Funds Management Limited (the Responsible Entity)**

Holding of units by key management personnel and their associated entities for Responsible Entity at 30 June 2022 are as follows:

	<b>30 June 2022</b>	
	<b>Units held</b>	<b>% of the Fund</b>
David Trew and associate entities	<b>650,000</b>	1.05
David Spessot and associated entities	<b>688,185</b>	1.11
Total	<b>1,338,185</b>	2.16

	<b>30 June 2021</b>	
	<b>Units held</b>	<b>% of the Fund</b>
David Trew and associate entities	650,000	2.12
David Spessot and associated entities	653,668	2.14
Total	<b>1,303,668</b>	4.26

Distributions paid and payable to key management personnel and their associated entities for the year ended 30 June 2022:

	<b>30 June 2022</b>		
	<b>Paid</b>	<b>Payable</b>	<b>Gross</b>
David Trew and associated entities	<b>76,292</b>	<b>6,912</b>	<b>83,204</b>
David Spessot and associated entities	<b>78,705</b>	<b>7,317</b>	<b>86,022</b>
	<b>154,997</b>	<b>14,229</b>	<b>169,226</b>

	<b>30 June 2021</b>		
	<b>Paid</b>	<b>Payable</b>	<b>Gross</b>
David Trew and associated entities	61,401	7,075	68,476
David Spessot and associated entities	71,727	7,115	78,842
	<b>133,128</b>	<b>14,190</b>	<b>147,318</b>

**15. Related party transactions (continued)****(a) MSI Funds Management Limited (the Responsible Entity)**

No fees or remuneration were paid directly to the key management personnel from the Fund during the financial year ended 30 June 2022 (30 June 2021: nil). Refer to Note 6 for the fees paid to the Responsible Entity.

- Total management fees and expense recovery fees for the year ended 30 June 2022: \$534,787 (2021: \$398,671)
- Management fees and expense recovery fees payable as at 30 June 2022: \$68,780 (30 June 2021: \$25,796)

Commencing 1 April 2021, the Fund started to pay for certain expenses incurred by the Fund directly. However, there are still some expenses incurred by the Responsible Entity and attributable to the Fund such as Compliance Costs, Insurance and Investor Services that continue to be recovered from the Fund.

**(b) MoneySpot Finance (the Note Issuer)**

MoneySpot Finance is the sole shareholder of the Responsible Entity, MSI Funds Management Limited. Two directors of MSI Funds Management Limited are also directors of MoneySpot Finance and interests associated with them collectively own all of the capital of MoneySpot Finance.

The key management personnel of MoneySpot Finance in relation to the Fund for the financial year ended 30 June 2022 are:

Name	Title
David Trew	Executive Director
David Spessot	Executive Director

No fees or remuneration were paid directly to the key management personnel from the Fund during the financial year ended 30 June 2022.

As at 30 June 2022, the Fund has invested \$26,126,868 and \$15,000,000 in Loan Notes earning coupon rate of 15% and 22.2% per annum, respectively, issued by MoneySpot Finance (30 June 2021: \$22,742,301 of 15% loan notes). The Sub Trust, on the other hand, has invested \$20,781,568 in Loan Notes earning a coupon rate of 17% (30 June 2021: \$7,797,859).

As disclosed in Note 5, the Fund earned a combination total of \$6,278,164 in interest income from the 15%, 17% and 22% the Loan Notes issued (30 June 2021: \$3,428,290 from 15% and 17% Loan Notes only).

As at 30 June 2022, the Fund is owed \$4,449 to MoneySpot Finance in relation to overpaid Loan Notes interest which remain unpaid as at the end of the reporting period (2021: \$2,578) The overpayment has not yet been settled to date.

**16. Auditor's remuneration**

	<b>30 June 2022</b>	30 June 2021
	\$	\$
Mazars Assurance Pty Ltd		
Auditing of the financial report	<b>20,050</b>	17,925
Audit of compliance plan	<b>5,500</b>	5,000
Total for the period	<b>25,550</b>	22,925