



MoneySpot Investment Fund

Annual Report

Consolidated Financial Statements for the year ending 30 June 2024
ARSN 616 929 849

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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 year ended 30 June 2024.

Directors

The names of the Directors of the Responsible Entity, in office during the year ended 30 June 2024 are:

Name	Title
David Trew	Executive Director
David Spessot	Executive Director
Michael Prior	Director

The Fund did not have any employees during the financial year.

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 (the "Note Issuer"), 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 29 September 2022 and Wholesale Information Memorandum dated 24 July 2024.

The multi-class structure of the Fund and the provisions of the Fund Constitution created a parent-subsidary relationship between the Fund, the MSI Fund Sub Trust B, and the MSI Fund Sub Trust C. 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"), and
- MSI Fund Sub Trust C (the "Sub Trust C").

The Fund is open to both retail and wholesale clients though Class C units are restricted to wholesale clients as defined in the Corporations Act 2001.

Responsible Entity's Report (continued)

During the financial year the following organisations provided services to the Fund.

Fund Service	Provider
Responsible Entity	MSI Funds Management Limited (ABN 31 614 077 995)
Custodians	One Managed Investment Funds Limited (ABN 47 117 400 987) Perpetual Corporate Trust Limited (ABN 99 000 341 533)
Auditor	LNP Audit and Assurance Pty Ltd (ABN 65 155 188 837)
Fund Administrator	Unity Fund Services Pty Ltd (ABN 16 146 747 122)

Review of operations***Investment activities***

During the year, the Fund invested in Unsecured Loan Notes issued by the Note Issuer, a participant in the Australian small and medium personal loan segment of the credit market. Throughout the year, the Fund's assets were largely invested in Unsecured Loan Notes and cash balances deposited with Australian Deposit Taking Institutions.

The Unsecured Loan Notes issued by the Note Issuer and held by the Fund attract coupon rates of between 7% and 22.2% per annum.

Investment results and distributions

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

During the year, the Fund achieved its targeted returns and income attributable to unitholders for the year was \$17,269,507 (2023: \$11,819,160). All income was either distributed to unitholders during the year or was paid subsequent to the balance date.

The increase in income reflects the increase in Fund Assets over the year from \$88,469,289 to \$117,439,956 as described elsewhere in this report.

MoneySpot Investment Fund

Responsible Entity's Report (continued)

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

	2024	2023
Net Income	\$17,269,507	\$11,819,160
Distribution Paid & Payable (\$)	\$17,269,507	\$11,819,160
Class A	\$3,892,227	\$3,651,872
Class B	\$3,830,113	\$3,428,680
Class C	\$9,547,167	\$4,738,608
Distribution (cents per unit)		
Class A	12.83	12.91
Class B	14.91	15.02
Class C	20.15	19.45
Returns (1)		
Class A	13.5%	13.7%
Class B	15.8%	16.1%
Class C	21.8%	21.3%

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.

MoneySpot Investment Fund

Responsible Entity's Report (continued)

Value of assets and units issued

Once again in the past twelve months, the Assets of the Fund increased materially. As the value of the Unsecured Loan Notes held by the Fund have not been revalued to their fair values, the increase in the value of Assets is wholly due to an increase in Units on Issue and, in the case of the current period, due to the increase in Class B and C units.

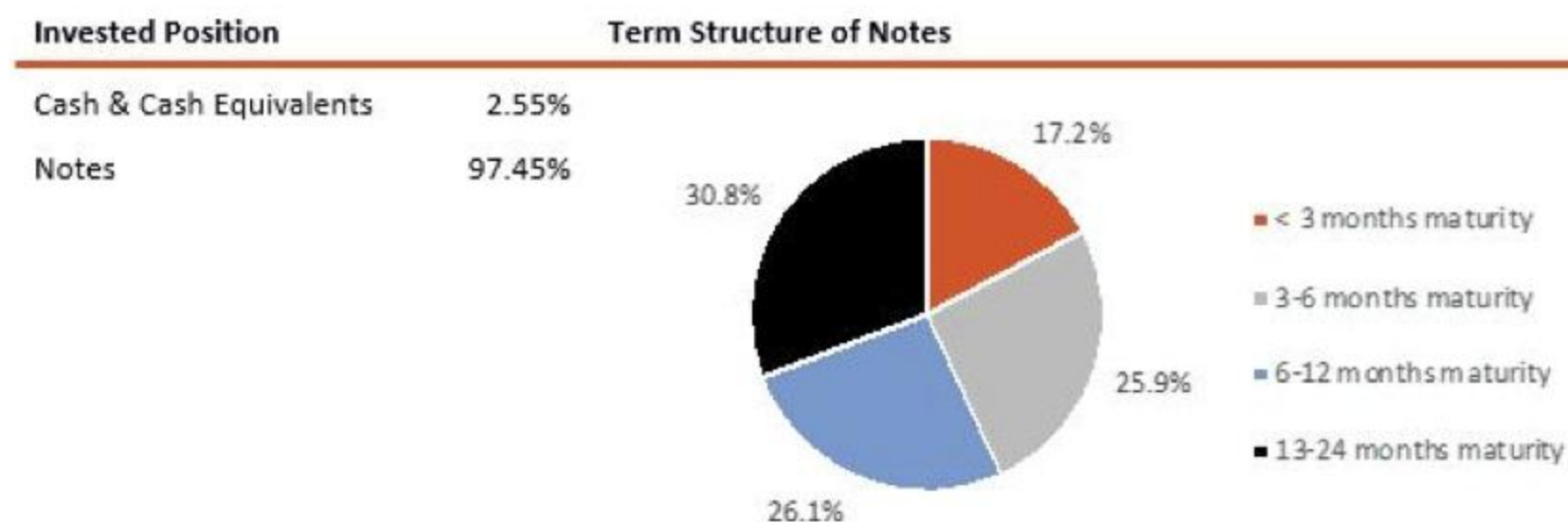
The table below sets out the value of units on issue and the corresponding Financial Assets of the Fund at financial year end:

	2024		2023	
	Financial Assets (\$) ⁽¹⁾	No. of Units	Financial Assets (\$) ⁽¹⁾	No. of Units
Class A	32,175,654	32,255,896	28,635,892	28,925,999
Class B	30,149,031	30,149,763	20,910,038	20,910,098
Class C	55,115,271	55,115,458	38,923,359	38,933,361
Total	117,439,956	117,521,117	88,469,289	88,769,458

Notes: ⁽¹⁾ Refer to Note 10 of the Notes to the Financial Statements.

Unsecured Loan Notes held at the end of the reporting period ranged in maturity between 7 days and 2 years.

The Assets of the Fund's as at 30 June 2024 were invested as illustrated below:



Responsible Entity's Report (continued)

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 financial year 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 2024:

- Total management fees for the year were \$1,408,544 (2023: \$1,030,994).
- Management fees payable as at 30 June 2024 were \$362,059 (2023: \$299,387).

Subsequent events

There have been no other matters or circumstances occurring subsequent to the year ended 30 June 2024 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 Responsible Entity also paid premiums in relation to Professional Indemnity insurance. The cost of premiums paid during the year were \$81,913 (2023: \$72,915).

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.

Responsible Entity's Report (continued)

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 Consolidated Financial Statements.

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
20 September 2024

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MONEYSLOT INVESTMENT FUND

As lead auditor of MoneySpot Investment Fund for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

LNP Audit and Assurance Pty Ltd



David Sinclair

Director

Sydney

20 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE RESPONSIBLE ENTITY OF MONEYSLOT INVESTMENT FUND

Opinion

We have audited the financial report of MoneySpot Investment Fund ("the Fund"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and the directors' declaration.

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

- a) giving a true and fair view of the Fund's consolidated financial position as at 30 June 2024 and of its consolidated financial performance for the year then ended; and
- b) 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 APES110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the Financial Report

The Directors of the Fund's Responsible Entity 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; and

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 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 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 Australian Auditing Standards, we exercise professional judgment 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.
- 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 and 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 the auditor's report to the disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

LNP Audit and Assurance Pty Ltd



David Sinclair
Director
Sydney

20 September 2024

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 Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in the annual financial report for the year ended 30 June 2024 and present fairly the financial position and performance of the Fund.
- (c) in the Directors' opinion, the attached financial statements and notes thereto 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
20 September 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2024

	Note	1 July 2023 to 30 June 2024 \$	1 July 2022 to 30 June 2023 \$
Revenue			
Interest income	6	19,214,535	13,341,170
Total revenue		19,214,535	13,341,170
Expenses			
Management fee	7	1,408,543	1,030,994
Administration costs	8	536,035	490,825
Bank fee		450	191
Total expenses		1,945,028	1,522,010
Net income attributable to unitholders	12	17,269,507	11,819,160
Finance costs attributable to unitholders			
Distributions to unitholders		(17,269,507)	(11,819,160)
Net income attributable to unitholders after finance costs		-	-
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-

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

Consolidated Statement of Financial Position as at 30 June 2024

	Note	30 June 2024 \$	30 June 2023 \$
Assets			
Cash and cash equivalents	9(a)	1,236,030	563,280
GST receivable		35,258	26,477
Interest receivable	4	1,759,246	1,320,473
Financial assets	10	117,439,956	88,469,289
Total assets		120,470,490	90,379,519
Liabilities			
Distributions payable		1,592,342	1,185,147
Trade and other payables	11	1,357,031	424,914
Total liabilities (excluding net assets attributable to unitholders)		2,949,373	1,610,061
Net assets attributable to unitholders	12	117,521,117	88,769,458

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 2024

	Note	30 June 2024 \$	30 June 2023 \$
Balance at the beginning of the year		88,769,458	61,987,218
Issue of units		30,487,621	29,990,279
Distributions reinvested in units		5,005,447	2,492,146
Redemptions		(6,741,409)	(5,700,185)
Net gain attributable to unitholders		17,269,507	11,819,160
Distributions paid and payable		(17,269,507)	(11,819,160)
Balance at the end of the year	12	117,521,117	88,769,458

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 2024

	Note	1 July 2023 to 30 June 2024 \$	1 July 2022 to 30 June 2023 \$
Cash flows from operating activities			
Interest received		18,775,762	12,891,354
Payment to suppliers		(1,883,909)	(1,248,149)
Net cash inflow from operating activities	9(b)	<u>16,891,853</u>	<u>11,643,205</u>
Cash flows from investing activities			
Payments for Loan Notes		(32,982,074)	(31,477,410)
Redemption of Loan Notes		5,850,180	4,916,557
Net cash outflow from investing activities		<u>(27,131,894)</u>	<u>(26,560,853)</u>
Cash flows from financing activities			
Receipts from unitholders		31,604,470	29,990,279
Redemptions to unitholders		(6,741,385)	(5,700,185)
Distributions paid to unitholders		(13,950,294)	(8,913,210)
Net cash inflow from financing activities		<u>10,912,791</u>	<u>15,376,884</u>
Net increase in cash and cash equivalents		672,750	459,236
Cash and cash equivalents at the beginning of the year		<u>563,280</u>	<u>104,044</u>
Cash and cash equivalents at the end of the year	9(a)	<u>1,236,030</u>	<u>563,280</u>

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

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.

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

This financial report covers the year from 1 July 2023 to 30 June 2024 and is authorised for issue by the Directors of the responsible entity on XX September 2024. 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	32.3m	30.1m	55.1m

2. Adoption of new and revised accounting standards and interpretations

The 30 June 2024 financial statements, and respective notes to the financial statements have been prepared in accordance with the new and amended accounting standards. The accounting policies in the notes below have also been updated to reflect the new and amended accounting standards in effect during the year.

The Fund has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2022-7 Editorial Corrections to AASs and Repeal of Superseded and Redundant Standards

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3. Significant accounting policies***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)

(a) 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.

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

(b) Going concern basis

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

(c) Revenue recognition

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.

(d) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise 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.

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'.

3. Significant accounting policies (continued)

(d) Financial instruments (continued)

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 an impairment allowance 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 Australian 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 approximately 22% per annum for Class C, although this may change over time in accordance with changes in credit markets. A proportion of Notes issued with 7 to 10 days' maturity are held with a coupon rate of 7% to facilitate the making of offers of redemption to unitholders. Interest on the notes is payable monthly.

	30 June 2024	30 June 2023
	\$	\$
Unsecured Loan Notes at amortised cost - current - 15%	32,175,654	28,635,892
Unsecured Loan Notes at amortised cost - current - 17%	30,149,031	20,910,038
Unsecured Loan Notes at amortised cost - current - 22%	55,115,271	38,923,359
	117,439,956	88,469,289

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".

(e) 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.

3. Significant accounting policies (continued)***(e) Taxation (continued)***

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.

(f) 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 29 September 2022, the intention is that distributions will be paid monthly.

(g) 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.

4. Critical accounting judgments 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(d) of these financial statements.

5. 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 the Note Issuer on maturity of a Note due to a lack of liquidity or insolvency.

As the Fund invests wholly in notes issued by the Note Issuer, 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, the Note Issuer's portfolio default rates have ranged from 4% to 10% of loan receivables lent with default rates at the higher end of the range typically experienced during periods of high growth in the loan portfolio.

If default rates in the consumer loan portfolios were to occur at a larger than expected rate, the Note Issuer's ability to pay the Note Interest and principal repayments under the Unsecured Notes may be negatively affected.

5. Financial risk management objectives and policies (continued)

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 Note Issuer can recover or exercising the Fund's rights granted in the security deed.

In the event of the Note Issuer failing to make an interest payment or repaying a maturing note, the Note Issuer is deemed to be in default. It is likely in this event that the Fund would recognise an impairment loss in respect of 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) Credit risk

There is a risk that either the entities in which the Fund invests, for example, the Note Issuer, or the borrowers to whom entities, such as the Note Issuer, 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.

As at the close of the reporting period, the Note Issuer had approximately \$13.8m in secured debt and \$2m in unsecured debt in addition to the Notes held by the Fund. These amounts may fluctuate over time. With respect to the secured debt, the Note Issuer has granted a general security deed over all of its present and after acquired assets other than real property for \$11.8m. The Note Issuer has granted an additional \$2m security over real property. These creditors rank ahead of the Note Holders. When repaid, the security granted to the secured lenders will be released and the Note Holders' security should rank first. There is no prescribed time frame within which the Note Issuer must repay the secured debt.

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

The Note Issuer 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.

5. Financial risk management objectives and policies (continued)***(c) Regulation risk***

The consumer loan sector, in which the Fund primarily invests, has historically attracted attention from government regulators and consumer advocates due to the nature of the loans-unsecured, shorter-term, and with higher fees or interest rates than traditional secured loans. The introduction of the Financial Sector Reform Bill 2022 and its subsequent amendments to the Credit Act, which took effect on 12 June 2023, imposed additional compliance requirements on the small amount credit contract (SACC) providers. These regulations, aimed at enhancing consumer protections, may impact the Fund's ability to meet its investment return objectives.

The changes include restrictions on the ability of SACC providers to charge fees, market loans, and assess creditworthiness. In response, credit providers have adjusted their procedures. Further regulatory developments in this sector could lead to increased compliance costs or changes in business practices, posing a risk to achieving targeted returns.

Additionally, any future changes to the regulatory framework, including those affecting the Australian Financial Services Licence (AFSL) or the Australian Credit Licence (ACL), could have further adverse effects on the Fund. Compliance issues or deficiencies in loan documentation could also negatively impact the Fund's returns.

(d) Concentration risk

Currently, the Fund invests in Unsecured Loan Notes issued by the Note Issuer for the primary purpose of funding the loan book of the Note Issuer.

The Note Issuer 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 the Note Issuer's loan portfolio is spread over thousands of borrowers reducing the concentration risk, all of the loans are being made by one entity, the Note Issuer. The Fund will therefore depend on the performance of the Note Issuer to be able to lend and collect interest and principal repayments from its borrowers, and this risk is not spread across different note issuers.

(e) Default risk and expected credit loss provisioning

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

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.

(f) Loan origination risk

A failure by the Note Issuer to deploy funds to its Borrowers may compromise the Note Issuer's 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.

5. Financial risk management objectives and policies (continued)

(g) 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 controlled entity of the Note Issuer and the Fund is the sole holder of the Unsecured Loan Notes issued by the Note Issuer. There is a risk that decision-making between the entities may not be impartial. This may adversely affect the viability of the Fund.

(h) 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.

(i) 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 interest amounts by the Note Issuer and repayment of Unsecured Loan Notes on maturity.

(j) 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 the Note Issuer has procedures in place to detect fraudulent applications, the risk of fraud cannot be completely eliminated.

(k) 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.

6. Interest income

The following table provides information about the interest income generated from different sources during the financial year ended 30 June 2024.

	30 June 2024	30 June 2023
	\$	\$
Unsecured Loan notes	19,194,063	13,326,743
Cash at bank	20,472	14,427
Total for the year	19,214,535	13,341,170

7. 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 monthly 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 current management fee is an investment management fee of 1.4% per annum of the net asset value of the Fund's assets.

The following fees were paid or payable to the Responsible Entity out of the Fund's assets during the year ended 30 June 2024:

- Total management fees for the year ended 30 June 2024: \$1,408,544 (2023: \$1,030,994).
- Management fees payable as at 30 June 2024 were \$362,059 (2023: \$299,387).

8. 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 financial year 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 financial year ending 30 June 2024 amounted to \$536,035 (30 June 2023: \$490,825).

Notes to the Financial Statements
9. Cash and cash equivalents

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

	30 June 2024	30 June 2023
	\$	\$
Cash at bank	1,236,030	563,280

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

	30 June 2024	30 June 2023
	\$	\$
Profit for the year	17,269,507	11,819,160
Change in assets and liabilities:		
Net changes in receivables	(447,509)	(456,700)
Net changes in payables	69,855	280,745
Net cash inflow from operating activities	16,891,853	11,643,205

10. Financial assets at amortised cost

	30 June 2024	30 June 2023
	\$	\$
Unsecured Loan Notes at amortised cost - current - 15% p.a.	32,175,654	28,635,892
Unsecured Loan Notes at amortised cost - current - 17% p.a.	30,149,031	20,910,038
Unsecured Loan Notes at amortised cost - current - 22% p.a.	55,115,271	38,923,359
	117,439,956	88,469,289

The Loan Notes held for the benefit of Class A unitholders have a face value of \$1 per note with a coupon rate of 15% per annum and a fixed term of six months. In April 2021, Unsecured Loan Notes with a coupon rate of 17% per annum were issued to Sub Trust B for the benefit of Class B unitholders and in May 2022, Unsecured Loan Notes with a coupon rate of 22.2% per annum were issued to Sub Trust C for the benefit of Class C unitholders. The carrying amounts of Unsecured Loan Notes are a reasonable approximation of their fair value at the end of the financial year largely due to the short-term maturities of these instruments.

MoneySpot Investment Fund

Notes to the Financial Statements

11. Trade and other payables

	30 June 2024	30 June 2023
	\$	\$
Trade payables	56,795	18,003
Accrued expenses	438,403	406,878
Other creditors	861,751	-
Withholding tax	58	33
Redemption payable	24	-
	<u>1,357,031</u>	<u>424,914</u>

12. Net assets attributable to unitholders

Year ended 30 June 2024	No. of Units	\$
Opening balance	88,769,458	88,769,458
Applications for units by unitholders	30,487,621	30,487,621
Units re-invested	5,005,447	5,005,447
Redemptions	(6,741,409)	(6,741,409)
Distributions paid to unitholders	-	(17,269,507)
Net gain attributable to unitholders	-	17,269,507
Balance as at 30 June 2024	<u>117,521,117</u>	<u>117,521,117</u>
Year ended 30 June 2023	No. of Units	\$
Opening balance	61,987,218	61,987,218
Applications for units by unitholders	29,990,279	29,990,279
Units re-invested	2,492,146	2,492,146
Redemptions	(5,700,185)	(5,700,185)
Distributions paid to unitholders	-	(11,819,160)
Net gain attributable to unitholders	-	11,819,160
Balance as at 30 June 2023	<u>88,769,458</u>	<u>88,769,458</u>

13. 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 issued by Note Issuer;

MoneySpot Investment Fund

Notes to the Financial Statements

- 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.

14. Commitments and contingencies

There are no commitments or contingencies as at 30 June 2024 (30 June 2023: nil).

15. Changes in state of affairs

There have been no other significant changes in the state of affairs of the Fund during the financial year.

16. Subsequent events

There has been no other matter or circumstance occurring subsequent to the year ended 30 June 2024 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.

17. 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 the Note Issuer, 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 2024 are:

Name	Title
David Trew	Executive Director
David Spessot	Executive Director

Holding of units by key management personnel and their associated entities for Responsible Entity at 30 June 2024 are as follows:

	30 June 2024	
	Units held	% of the Fund
David Trew and associated entities	-	0.00
David Spessot and associated entities	807,923	0.69
Total	807,923	.69

	30 June 2023	
	Units Held	% of the Fund
David Trew and associated entities	950,000	1.07
David Spessot and associated entities	727,886	.82
Total	1,677,886	1.89

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

Distributions paid and payable to key management personnel and their associated entities for the year ended 30 June 2024:

	30 June 2024		
	Paid	Payable	Gross
David Trew and associated entities	105,390	-	105,390
David Spessot and associated entities	89,515	8,499	98,014
	194,905	8,499	203,404

	30 June 2023		
	Paid	Payable	Gross
David Trew and associated entities	77,432	8,739	86,171
David Spessot and associated entities	84,287	7,757	92,044
	161,719	16,496	178,215

No fees or remuneration were paid directly to the key management personnel from the Fund during the financial year ended 30 June 2024 (30 June 2023: nil). Refer to Note 7 for the fees paid to the Responsible Entity.

- Total management fees and expense recovery fees for the year ended 30 June 2024: \$1,408,543 (30 June 2023: \$1,030,994)
- Management fees and expense recovery fees payable as at 30 June 2024: \$362,059 (30 June 2023: \$299,387)

(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 2024 is:

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 2024.

As at 30 June 2024, the Fund has invested \$32,175,654 in Loan Notes earning coupon rate between 7% and 15% per annum, respectively, issued by MoneySpot Finance (30 June 2023: \$28,635,892 of 15% loan notes). The Sub Trusts, on the other hand, has invested \$30,149,031 in Unsecured Loan Notes earning a coupon rate between 7% and 17% (30 June 2023: \$20,910,038), and \$55,115,271 Unsecured Loan Notes earning a coupon rate between 21.9% and 22.2% (30 June 2023: \$38,923,359)

MoneySpot Investment Fund

Notes to the Financial Statements

17. Related party transactions (continued)

(b) Note Issuer (the Note Issuer) (continued)

On a consolidated basis, the Fund earned a combined total of \$19,194,063 in interest income from its Unsecured Loan Note Investments (30 June 2023: \$13,326,743).

18. Auditor's remuneration

	1 July 2023 to 30 June 2024	1 July 2022 to 30 June 2023
	\$	\$
LNP Audit and Assurance Pty Ltd (2023: Mazars Assurance Pty Ltd)		
Audit of financial report	28,000	30,000
Audit of compliance plan	7,000	6,000
Half-year review of financial report	11,000	-
Total for the year	46,000	36,000