

EFM FIXED INTEREST FUNDS I

**DIRECTORS' REPORT AND FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

**AMP Capital Funds Management Limited
33 Alfred Street,
Sydney, NSW 2000
ACN 159 557 721**

EFM FIXED INTEREST FUNDS I

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EFM FIXED INTEREST FUNDS I

DIRECTORS' REPORT

The Directors of AMP Capital Funds Management Limited (ABN 15 159 557 721), the "Responsible Entity" of the EFM Fixed Interest Funds I (the "Schemes"), listed below, present their report together with the Financial Report of the Schemes for the financial year ended 31 December 2019.

Scheme Name	ARSN
EFM Fixed Interest Fund 3	111 212 358
EFM Fixed Interest Fund 6	605 856 460
EFM Fixed Interest Fund 7	605 856 657
EFM Fixed Interest Fund 8	605 812 299
EFM Fixed Interest Fund 9	605 812 164
EFM Fixed Interest Fund 10	605 812 360

Directors

The Directors of the Responsible Entity during the financial year and up to the date of this report are shown below. Directors were in office for this entire period except where stated otherwise:

Ming Yen Long	Non-Executive Director	
Robert Victor McKinnon	Non-Executive Director	
John Patrick Moorhead	Executive Director	Resigned 2 June 2019
Peter Joseph Seymour Rowe	Non-Executive Director	
Adam Michael Tindall	Executive Director	
Adrian Arthur Williams	Executive Director	Appointed 3 June 2019

Scheme Information

The Schemes are Australian Registered Schemes. AMP Capital Funds Management Limited, the Responsible Entity of the Schemes, is incorporated and domiciled in Australia.

The registered office of the Responsible Entity is located at 33 Alfred Street, Sydney, NSW 2000.

Principal Activity

The principal activity of the Schemes is the investment of unitholders' funds in accordance with each Scheme's mandate. There has been no significant change in the nature of this activity during the financial year.

Review of Results and Operations

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

	Net profit/(loss) attributable to unitholders after tax expenses and before finance costs		Distributions to unitholders paid and/or payable during the financial year	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$
EFM Fixed Interest Fund 3	7,051,847	747,911	2,440,044	4,698,878
EFM Fixed Interest Fund 6	7,937,991	71,621	12,478,214	7,763,532
EFM Fixed Interest Fund 7	9,133,006	2,913,659	9,584,627	2,974,838
EFM Fixed Interest Fund 8	45,620,887	13,681,401	14,854,866	12,811,849
EFM Fixed Interest Fund 9	21,458,577	12,677,472	19,444,446	8,374,695
EFM Fixed Interest Fund 10	8,185,092	1,179,411	5,268,203	1,086,557

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DIRECTORS' REPORT (Continued)

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Schemes during the financial year ended 31 December 2019.

Significant Events After the Balance Date

As at the date of this report, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Schemes, the results of their operations or their state of affairs, which is not already reflected in the Financial Report.

Likely Developments and Expected Results

The investment strategy will be maintained in accordance with each Scheme's Constitution. Currently, there are no significant developments expected in respect of the Schemes. The performance of the Schemes in the future will be subject to movements in the underlying investment markets over time.

Environmental Regulation and Performance

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

Relevant Information

Following is a list of relevant information required under the Corporations Act:

- Fees paid to the Responsible Entity - refer to Note 7 to the Financial Statements
- Units held by the Responsible Entity in the Schemes - refer to Note 7 to the Financial Statements
- Units issued in the Schemes during the financial year - refer to Note 5 to the Financial Statements
- Units withdrawn from the Schemes during the financial year - refer to Note 5 to the Financial Statements
- The value of the Schemes' assets and basis of valuation - refer to the Statements of Financial Position and Note 1 respectively
- The number of units in the Schemes as at 31 December 2019 - refer to Note 5 to the Financial Statements
- Distributions payable to unitholders at the balance date - refer to the Statements of Financial Position

These notes have been presented in accordance with ASIC Corporations (Directors' Report Relief) Instrument 2016/188.

Indemnification and Insurance of Directors and Officers

Under its constitution, AMP Capital Funds Management Limited (the Company) indemnifies, to the extent permitted by law, all current and former officers of the Company (including the directors) against any liability (including the reasonable costs and expenses of defending proceedings for an actual or alleged liability) incurred in their capacity as an officer of the Company. This indemnity is not extended to current or former employees of the AMP group against liability incurred in their capacity as an employee, unless approved by or on behalf of the AMP Limited (the Company's ultimate parent company) Board.

During, and since the end of, the financial year ended 31 December 2019, AMP Limited maintained, and paid the premium for, directors' and officers' and company reimbursement insurance for the benefit of all of the officers of the AMP group (including each director, secretary and senior manager of the Company) against certain liabilities as permitted by the Corporations Act. The insurance policy prohibits disclosure of the nature of the liabilities covered, the amount of the premium payable and the limit of liability.

In addition, AMP Group Holdings Limited ("AMPGH") and current and former directors and secretaries of the Company are parties to deeds of indemnity, insurance and access. Those deeds provide that:

- those officers will have access to board papers and specified records of the Company (and of certain other companies) for their period of office and for at least ten (or, in some cases, seven) years after they cease to hold office (subject to certain conditions);
- AMPGH indemnifies the relevant officers to the extent permitted by law, and to the extent and for the amount that the relevant officer is not otherwise entitled to be, and is not actually, indemnified by another person;
- the indemnity covers liabilities (including legal costs) incurred by the relevant officer in their capacity as a current or former director or secretary (and, in the case of directors, as a current or former officer or specified representative) of the Company, or of another AMP group company or, in certain cases, of an external company (where the person holds the relevant external position at the AMP group's request); and
- the AMP group will maintain directors' and officers' insurance cover for those officers, to the extent permitted by law, for the period of their office and for at least ten years after they cease to hold office.

During or since the end of the financial year ended 31 December 2019, no payments have been made by the Company to an existing or former officer under an indemnity.

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DIRECTORS' REPORT (Continued)

Auditor's Independence Declaration

We have obtained an independence declaration from our auditors, Ernst & Young, a copy of which is attached to this report and forms part of the Directors' Report for the financial year ended 31 December 2019.

Related Scheme Reports

ASIC Corporations (Related Scheme Reports) Instrument 2015/839 allows the Financial Statements and the Directors' Report of related registered schemes to be presented in a single Financial Report. This Financial Report has been prepared in accordance with this relief.

Rounding

The amounts contained in the Directors' Report and the Financial Report have been rounded under the option available to the Schemes under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Schemes are entities to which the instrument applies and, in accordance with the instrument, amounts in the Directors' Report and the Financial Report have been rounded to the nearest dollar (where rounding is appropriate).

Signed in accordance with a resolution of the Directors:



Director
12 March 2020, Sydney



Building a better
working world

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Auditor's Independence Declaration to the Directors of AMP Capital Funds Management Limited

For the following EFM Fixed Interest Funds I (the "Schemes"):

- ▶ EFM Fixed Interest Fund 3
- ▶ EFM Fixed Interest Fund 6
- ▶ EFM Fixed Interest Fund 7
- ▶ EFM Fixed Interest Fund 8
- ▶ EFM Fixed Interest Fund 9
- ▶ EFM Fixed Interest Fund 10

As lead auditor for the audits of the financial reports of the above Schemes for the financial year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Mark Jones
Partner
12 March 2020

EFM FIXED INTEREST FUNDS I

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Notes	EFM Fixed Interest Fund 3		EFM Fixed Interest Fund 6		EFM Fixed Interest Fund 7	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$	\$	\$
INVESTMENT INCOME							
Distributions		283,824	2,588,751	7,891,665	7,721,656	2,386,096	1,034,440
Interest income from financial assets measured at amortised cost		2,204	2,146	32,265	22,888	315,659	243,916
Interest income from financial assets measured at fair value through profit or loss		-	-	-	-	4,315,161	4,715,195
Net foreign exchange gain/(loss) on cash and cash equivalents		-	-	-	-	(12,343)	(109,203)
Net changes in the fair value of financial instruments measured at fair value through profit or loss		6,504,930	(2,122,569)	(745,278)	(8,420,236)	2,045,390	(3,034,214)
Responsible entity fee rebates	7(c)	260,889	279,583	759,395	746,738	-	-
External investment management fee rebates		-	-	-	-	209,706	257,144
Securities lending income		-	-	-	-	-	-
Other income		-	-	301	575	9,235	11,004
Total investment income/(loss)		<u>7,051,847</u>	<u>747,911</u>	<u>7,938,348</u>	<u>71,621</u>	<u>9,268,904</u>	<u>3,118,282</u>
EXPENSES							
Interest expense		-	-	(357)	-	(47,206)	(75,016)
Responsible entity fees	7(c)	-	-	-	-	(8,211)	(8,453)
Transaction costs		-	-	-	-	(80,374)	(121,045)
Securities lending fees - agent		-	-	-	-	-	-
Securities lending fees - service provider	7(c)	-	-	-	-	-	-
Other expenses		-	-	-	-	(107)	(109)
Total expenses		<u>-</u>	<u>-</u>	<u>(357)</u>	<u>-</u>	<u>(135,898)</u>	<u>(204,623)</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS BEFORE TAX EXPENSES AND FINANCE COSTS		<u>7,051,847</u>	<u>747,911</u>	<u>7,937,991</u>	<u>71,621</u>	<u>9,133,006</u>	<u>2,913,659</u>
Withholding tax expense		-	-	-	-	-	-
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND BEFORE FINANCE COSTS		<u>7,051,847</u>	<u>747,911</u>	<u>7,937,991</u>	<u>71,621</u>	<u>9,133,006</u>	<u>2,913,659</u>
Finance costs attributable to unitholders							
Distributions to unitholders		(2,440,044)	(4,698,878)	(12,478,214)	(7,763,532)	(9,584,627)	(2,974,838)
(Increase)/decrease in net assets attributable to unitholders		(4,611,803)	3,950,967	4,540,223	7,691,911	451,621	61,179
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND FINANCE COSTS		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

EFM FIXED INTEREST FUNDS I

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Notes	EFM Fixed Interest Fund 8		EFM Fixed Interest Fund 9		EFM Fixed Interest Fund 10	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$	\$	\$
INVESTMENT INCOME							
Distributions		-	-	-	-	81,524	-
Interest income from financial assets measured at amortised cost		671,639	484,440	55,827	68,603	75,652	56,507
Interest income from financial assets measured at fair value through profit or loss		18,988,586	15,478,821	8,057,130	9,433,885	4,245,617	4,572,619
Net foreign exchange gain/(loss) on cash and cash equivalents		5,220,540	(3,708,030)	(27,686)	3,106	191,333	100,741
Net changes in the fair value of financial instruments measured at fair value through profit or loss		22,006,847	2,272,191	13,357,092	3,256,956	3,712,190	(3,554,734)
Responsible entity fee rebates	7(c)	-	-	-	-	-	-
External investment management fee rebates		-	-	-	-	-	-
Securities lending income		-	-	-	-	5,801	9,411
Other income		382,883	99,385	64,005	2,593	20,442	60,005
Total investment income/(loss)		<u>47,270,495</u>	<u>14,626,807</u>	<u>21,506,368</u>	<u>12,765,143</u>	<u>8,332,559</u>	<u>1,244,549</u>
EXPENSES							
Interest expense		(466,661)	(59,618)	(974)	(1,412)	(51,644)	(7,798)
Responsible entity fees	7(c)	(894,765)	(537,049)	(16,612)	(12,726)	(47,881)	(29,431)
Transaction costs		(63,948)	(346,403)	(28,854)	(71,371)	(12,891)	(9,128)
Securities lending fees - agent		-	-	-	-	(1,576)	(2,824)
Securities lending fees - service provider	7(c)	-	-	-	-	(580)	(941)
Other expenses		(215,528)	-	(1,351)	(2,162)	-	-
Total expenses		<u>(1,640,902)</u>	<u>(943,070)</u>	<u>(47,791)</u>	<u>(87,671)</u>	<u>(114,572)</u>	<u>(50,122)</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS BEFORE TAX EXPENSES AND FINANCE COSTS							
		45,629,593	13,683,737	21,458,577	12,677,472	8,217,987	1,194,427
Withholding tax expense		(8,706)	(2,336)	-	-	(32,895)	(15,016)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND BEFORE FINANCE COSTS							
		45,620,887	13,681,401	21,458,577	12,677,472	8,185,092	1,179,411
Finance costs attributable to unitholders							
Distributions to unitholders		(14,854,866)	(12,811,849)	(19,444,446)	(8,374,695)	(5,268,203)	(1,086,557)
(Increase)/decrease in net assets attributable to unitholders		(30,766,021)	(869,552)	(2,014,131)	(4,302,777)	(2,916,889)	(92,854)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND FINANCE COSTS							
		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

EFM FIXED INTEREST FUNDS I

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	EFM Fixed Interest Fund 3		EFM Fixed Interest Fund 6		EFM Fixed Interest Fund 7		EFM Fixed Interest Fund 8	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$	\$	\$	\$	\$
ASSETS									
Cash and cash equivalents		609,668	738,083	-	3,631,115	14,290,505	7,012,600	23,789,924	9,038,722
Broker deposits		-	-	-	-	2,065,163	1,644,118	-	15,263,084
Receivables	3	19,105	23,700	2,247,091	974,991	34,702	22,706	4,296,435	5,247,636
Debts instruments measured at amortised cost		-	-	-	-	1,001,547	-	-	-
Financial assets measured at fair value through profit or loss									
Interest bearing securities		-	-	-	-	100,606,909	132,340,518	619,834,771	571,257,652
Interest bearing securities on loan		-	-	-	-	-	-	-	-
Derivative financial instruments		-	-	-	-	1,862,093	3,900,361	19,273,923	11,646,234
Unlisted managed investment funds		81,866,310	90,628,557	208,081,666	190,913,143	46,212,348	47,005,607	-	-
TOTAL ASSETS		<u>82,495,083</u>	<u>91,390,340</u>	<u>210,328,757</u>	<u>195,519,249</u>	<u>166,073,267</u>	<u>191,925,910</u>	<u>667,195,053</u>	<u>612,453,328</u>
LIABILITIES									
Bank overdraft		-	-	552,829	-	-	-	-	-
Payables	4	529,125	39,629	447,753	73,991	495,648	33,996	393,133	5,953,339
Broker advances		-	-	-	-	-	-	2,255,181	-
Distributions payable		89,365	124,750	616,859	662,594	1,173,592	-	2,104,932	2,164,678
Financial liabilities measured at fair value through profit or loss									
Derivative financial instruments		-	-	-	-	1,951,137	2,233,195	14,786,582	21,244,722
Deposits in - sale and repurchase agreements		-	-	-	-	-	-	3,258,640	9,573,653
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>618,490</u>	<u>164,379</u>	<u>1,617,441</u>	<u>736,585</u>	<u>3,620,377</u>	<u>2,267,191</u>	<u>22,798,468</u>	<u>38,936,392</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>81,876,593</u>	<u>91,225,961</u>	<u>208,711,316</u>	<u>194,782,664</u>	<u>162,452,890</u>	<u>189,658,719</u>	<u>644,396,585</u>	<u>573,516,936</u>

EFM FIXED INTEREST FUNDS I

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	EFM Fixed Interest Fund 9		EFM Fixed Interest Fund 10	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$
ASSETS					
Cash and cash equivalents		3,046,499	6,400,932	2,543,644	4,460,526
Broker deposits		3,658,936	1,807,483	929,733	919,732
Receivables	3	26,088	57,200	96,723	136,620
Debts instruments measured at amortised cost		-	-	-	-
Financial assets measured at fair value through profit or loss					
Interest bearing securities		256,070,912	275,267,498	140,886,779	143,436,692
Interest bearing securities on loan		-	-	-	5,472,596
Derivative financial instruments		1,126,583	848,389	3,275,525	1,050,748
Unlisted managed investment funds		3,568,591	3,148,461	4,528,964	-
TOTAL ASSETS		<u>267,497,609</u>	<u>287,529,963</u>	<u>152,261,368</u>	<u>155,476,914</u>
LIABILITIES					
Bank overdraft		-	-	-	-
Payables	4	559,074	161,671	35,379	21,009
Broker advances		-	-	-	-
Distributions payable		2,508,251	1,316,247	1,582,113	-
Financial liabilities measured at fair value through profit or loss					
Derivative financial instruments		2,180,356	1,101,469	1,409,429	4,134,513
Deposits in - sale and repurchase agreements		-	-	-	-
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>5,247,681</u>	<u>2,579,387</u>	<u>3,026,921</u>	<u>4,155,522</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>262,249,928</u>	<u>284,950,576</u>	<u>149,234,447</u>	<u>151,321,392</u>

EFM FIXED INTEREST FUNDS I

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	EFM Fixed Interest Fund 3		EFM Fixed Interest Fund 6		EFM Fixed Interest Fund 7		EFM Fixed Interest Fund 8	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the financial year - Liability	91,225,961	97,147,169	194,782,664	112,103,128	189,658,719	198,339,069	573,516,936	488,901,992
Applications	4,561,582	6,954,041	80,167,730	108,459,712	337,352	3,362,865	130,283,212	124,330,527
Distributions to unitholders reinvested	2,447,407	4,877,496	5,107,679	5,223,995	8,410,003	4,849,119	7,990,811	8,491,985
Redemptions	(20,970,160)	(13,801,778)	(66,806,534)	(23,312,260)	(35,501,563)	(16,831,155)	(98,160,395)	(49,077,120)
	<u>77,264,790</u>	<u>95,176,928</u>	<u>213,251,539</u>	<u>202,474,575</u>	<u>162,904,511</u>	<u>189,719,898</u>	<u>613,630,564</u>	<u>572,647,384</u>
Increase/(decrease) in net assets attributable to unitholders	4,611,803	(3,950,967)	(4,540,223)	(7,691,911)	(451,621)	(61,179)	30,766,021	869,552
Balance at the end of the financial year - Liability	<u><u>81,876,593</u></u>	<u><u>91,225,961</u></u>	<u><u>208,711,316</u></u>	<u><u>194,782,664</u></u>	<u><u>162,452,890</u></u>	<u><u>189,658,719</u></u>	<u><u>644,396,585</u></u>	<u><u>573,516,936</u></u>

EFM FIXED INTEREST FUNDS I

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	EFM Fixed Interest Fund 9		EFM Fixed Interest Fund 10	
	31 December 2019 \$	31 December 2018 \$	31 December 2019 \$	31 December 2018 \$
Balance at the beginning of the financial year - Liability	284,950,576	303,818,904	151,321,392	149,400,521
Applications	5,210,913	2,371,802	12,719,323	10,048,784
Distributions to unitholders reinvested	15,049,177	6,751,251	2,238,132	673,684
Redemptions	(44,974,869)	(32,294,158)	(19,961,289)	(8,894,451)
	<u>260,235,797</u>	<u>280,647,799</u>	<u>146,317,558</u>	<u>151,228,538</u>
Increase/(decrease) in net assets attributable to unitholders	2,014,131	4,302,777	2,916,889	92,854
Balance at the end of the financial year - Liability	<u><u>262,249,928</u></u>	<u><u>284,950,576</u></u>	<u><u>149,234,447</u></u>	<u><u>151,321,392</u></u>

EFM FIXED INTEREST FUNDS I

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

Notes	EFM Fixed Interest Fund 3		EFM Fixed Interest Fund 6		EFM Fixed Interest Fund 7	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES						
Proceeds from sales of financial instruments measured at fair value through profit or loss**	15,551,001	14,875,000	19,810,000	2,200,000	113,435,929	75,261,063
Payments for purchases of financial instruments measured at fair value through profit or loss**	-	(7,450,000)	(31,280,998)	(83,670,000)	(75,018,278)	(70,446,417)
Broker deposits received/(advanced)	-	-	-	-	(421,045)	1,314,685
Interest income received	2,301	2,013	32,265	22,888	4,618,485	4,978,293
Interest expense paid	-	-	-	-	(47,206)	(75,016)
GST received/(paid)	-	-	22	154	339	630
Securities lending income received	-	-	-	-	-	-
Other income received	-	-	301	575	9,235	11,004
Responsible entity fee rebates received	265,387	282,365	768,177	731,995	-	-
Responsible entity fees paid	-	-	-	-	(8,174)	(8,408)
Custody fees paid	-	-	(323)	(292)	(5,381)	(6,185)
Transaction costs paid	-	-	-	-	(80,374)	(121,045)
Withholding tax paid	-	-	-	-	-	-
Securities lending fees paid - agent	-	-	-	-	-	-
Securities lending fees paid - service provider	-	-	-	-	-	-
Other expenses paid	-	-	-	-	(107)	(109)
Net cash inflow/(outflow) from operating activities	6(a) 15,818,689	7,709,378	(10,670,556)	(80,714,680)	42,483,423	10,908,495
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from applications by unitholders	4,561,582	6,954,041	80,335,688	108,218,627	337,352	3,362,865
Payments for redemptions by unitholders	(20,480,664)	(13,765,383)	(66,432,806)	(23,245,726)	(35,529,495)	(16,803,737)
Distributions paid to unitholders	(28,022)	(28,459)	(7,416,270)	(2,249,870)	(1,032)	(351)
Net cash inflow/(outflow) from financing activities	(15,947,104)	(6,839,801)	6,486,612	82,723,031	(35,193,175)	(13,441,223)
Net increase/(decrease) in cash and cash equivalents held	(128,415)	869,577	(4,183,944)	2,008,351	7,290,248	(2,532,728)
Cash and cash equivalents at the beginning of the financial year	738,083	(131,494)	3,631,115	1,622,764	7,012,600	9,654,531
Net foreign exchange gain/(loss) on cash and cash equivalents	-	-	-	-	(12,343)	(109,203)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*	609,668	738,083	(552,829)	3,631,115	14,290,505	7,012,600

*Cash and cash equivalents include investments in unlisted cash trusts. Further details are disclosed in Note 1(m) Cash and Cash Equivalents and Note 7(b)(i) Related party holdings.

**Certain Schemes invest in interest bearing securities that include investments with short term maturities. Consequently, investment turnover can be relatively frequent.

EFM FIXED INTEREST FUNDS I

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

Notes	EFM Fixed Interest Fund 8		EFM Fixed Interest Fund 9		EFM Fixed Interest Fund 10	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES						
Proceeds from sales of financial instruments measured at fair value through profit or loss**	364,753,508	614,673,788	186,712,345	143,868,387	199,176,302	197,795,507
Payments for purchases of financial instruments measured at fair value through profit or loss**	(416,275,519)	(688,436,770)	(153,778,104)	(130,104,269)	(196,838,904)	(202,481,626)
Broker deposits received/(advanced)	17,518,265	(17,394,196)	(1,851,453)	(531,928)	(10,001)	27,780
Interest income received	19,688,652	15,842,038	8,144,764	9,505,832	4,370,959	4,662,330
Interest expense paid	(466,661)	(59,618)	(974)	(1,412)	(25,420)	(7,798)
GST received/(paid)	(2,611)	(1,445)	(695)	663	917	2,293
Securities lending income received	-	-	-	-	5,801	9,411
Other income received	382,883	99,385	64,005	2,593	20,442	60,005
Responsible entity fee rebates received	-	-	-	-	-	-
Responsible entity fees paid	(862,707)	(512,257)	(15,580)	(12,657)	(45,891)	(28,295)
Custody fees paid	(62,472)	(37,637)	(2,511)	(832)	(19,236)	(34,727)
Transaction costs paid	(63,948)	(346,408)	(28,854)	(71,371)	(12,891)	(9,128)
Withholding tax paid	(9,179)	(2,336)	-	-	(36,345)	(15,016)
Securities lending fees paid - agent	-	-	-	-	(1,576)	(2,824)
Securities lending fees paid - service provider	-	-	-	-	(580)	(941)
Other expenses paid	(215,528)	-	(1,351)	(2,162)	-	-
Net cash inflow/(outflow) from operating activities	6(a) (15,615,317)	(76,175,456)	39,241,592	22,652,844	6,583,577	(23,029)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from applications by unitholders	130,209,279	124,125,286	5,210,913	2,371,802	12,710,073	10,052,396
Payments for redemptions by unitholders	(98,139,499)	(48,833,771)	(44,575,987)	(32,160,340)	(19,953,907)	(8,892,678)
Distributions paid to unitholders	(6,923,801)	(5,182,884)	(3,203,265)	(1,432,649)	(1,447,958)	(412,873)
Net cash inflow/(outflow) from financing activities	25,145,979	70,108,631	(42,568,339)	(31,221,187)	(8,691,792)	746,845
Net increase/(decrease) in cash and cash equivalents held	9,530,662	(6,066,825)	(3,326,747)	(8,568,343)	(2,108,215)	723,816
Cash and cash equivalents at the beginning of the financial year	9,038,722	18,813,577	6,400,932	14,966,169	4,460,526	3,635,969
Net foreign exchange gain/(loss) on cash and cash equivalents	5,220,540	(3,708,030)	(27,686)	3,106	191,333	100,741
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR *	23,789,924	9,038,722	3,046,499	6,400,932	2,543,644	4,460,526

*Cash and cash equivalents include investments in unlisted cash trusts. Further details are disclosed in Note 1(m) Cash and Cash Equivalents and Note 7(b)(i) Related party holdings.

**Certain Schemes invest in interest bearing securities that include investments with short term maturities. Consequently, investment turnover can be relatively frequent.

EFM FIXED INTEREST FUNDS I

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been re-presented to be consistent with current period disclosures.

(a) Basis of Preparation

This general purpose Financial Report has been prepared in accordance with each Scheme's Constitution and with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act. The Schemes are for-profit entities for the purposes of preparing Financial Statements. The Financial Report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The assets and liabilities are measured on a fair value basis, except where otherwise stated.

The Statements of Financial Position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items. All of the Schemes' assets and liabilities are held for the purpose of being traded or are expected to be realised within 12 months, except for net assets attributable to unitholders. Given the nature of the Schemes, a reasonable estimate cannot be made of the amount of the balances that are unlikely to be settled within 12 months.

Changes in Australian Accounting Standards

The Schemes have adopted all mandatory standards and amendments for the financial year beginning 1 January 2019. Adoption of these standards and amendments has not had any material effect on the financial position or performance of the Schemes.

Australian Accounting Standards issued but not yet effective

There are no standards or amendments issued but not yet effective that are expected to have a material impact on the Schemes.

(b) Recognition and Derecognition of Financial Assets and Liabilities

Financial assets and financial liabilities are recognised at the date the Schemes become a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. A transfer occurs when substantially all the risks and rewards of ownership of the financial asset are passed to a third party.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(c) Financial Assets Measured at Fair Value Through Profit or Loss

The Responsible Entity classifies the Schemes' financial instruments based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Schemes' portfolio of financial assets is managed, and their performance are evaluated, on a fair value basis in accordance with the Schemes' documented investment strategy. The Schemes use fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies.

The valuation processes applied in valuing financial instruments measured at fair value through profit or loss are governed by the AMP Capital Holdings Limited Asset Valuation policy which has been adopted by the Responsible Entity. This Policy outlines the valuation methodologies and processes applied to measure such financial instruments.

Unlisted managed investments schemes and interest bearing securities are measured at fair value through profit or loss.

Financial assets are initially measured at fair value determined as the purchase cost of the financial asset, exclusive of any transaction costs. Transaction costs are expensed as incurred in the Statements of Comprehensive Income.

Any realised and unrealised gains and losses arising from subsequent measurement to fair value are recognised in the Statements of Comprehensive Income as 'Net changes in the fair value of financial instruments measured at fair value through profit or loss' in the period in which they arise.

EFM FIXED INTEREST FUNDS I

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial Assets Measured at Fair Value Through Profit or Loss (continued)

Subsequent to initial recognition, the fair value of financial assets measured at fair value through profit or loss is determined as follows:

Securities on Loan

Certain Schemes participate in a securities lending program. The securities of the participating Schemes may be lent to approved borrowers, such as brokers and other financial institutions. The borrower lodges collateral against the securities lent either in the form of cash or approved securities.

During the term of the loan, the Schemes remain entitled to all dividends, distributions and interest income and retains all voting rights, where applicable, in respect of the loaned securities. Securities lent may be recalled and are required to be returned within the normal settlement periods applicable to the securities.

Interest bearing securities

The fair value of interest bearing securities and discounted securities which are traded in a recognised market is the "bid" price of those securities, as quoted on the recognised exchange on which they are traded at the balance date.

Where there is no trading activity or valuation models, consensus pricing information from third party pricing services and broker quotes are used to determine an appropriate valuation.

Certain interest bearing securities are on loan. The interest bearing securities continue to be recognised in the Statements of Financial Position as the contractual rights to cash flows and the ability to dispose of the securities are retained by the Schemes.

The fair value of the loaned interest bearing securities remains the "bid" price of those securities as quoted on the recognised exchange on which they are traded at the balance date.

Unlisted managed investment funds

The fair value of unlisted managed investment funds is the redemption price of those securities at the balance date.

(d) Derivative Financial Instruments

Derivative financial instruments are held for trading and are measured at fair value through profit or loss. The Schemes do not designate any derivatives as a hedging instrument for hedge accounting purposes. Derivative financial instruments are initially measured at fair value exclusive of any transaction costs on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Transaction costs are expensed as incurred in the Statements of Comprehensive Income.

Derivative financial instruments are recognised as assets when their fair value is positive and as liabilities when their fair value is negative. Any changes in the fair value of derivative financial instruments are recognised in the Statements of Comprehensive Income as 'Net changes in the fair value of financial instruments measured at fair value through profit or loss' in the period in which they arise.

Where the Schemes' derivative assets and liabilities are traded on an exchange, their fair value is determined by reference to quoted market prices or binding dealer quotations at the balance date.

Where the Schemes' derivative assets and liabilities are not traded on an exchange, their fair value is determined by reference to counterparty valuations or by the Investment Manager.

The valuation processes applied in valuing financial instruments measured at fair value through profit or loss are governed by the AMP Capital Holdings Limited Asset Valuation policy which has been adopted by the Responsible Entity. This Policy outlines the valuation methodologies and processes applied to measure such financial instruments.

Interest rate swaps

Interest rate swap contracts are contractual obligations to exchange interest rate cash flows, based on a specified notional principal amount, for example, from a fixed rate to a floating rate (or vice versa). The party with the higher interest obligation pays the net amount to the other party. The fair value of interest rate swaps is determined by using discounted cash flow models. The most significant inputs into those models are interest rate yield curves which are developed from publicly quoted rates at the balance date.

EFM FIXED INTEREST FUNDS I

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Derivative Financial Instruments (continued)

Cross currency swaps

Cross currency swap contracts are contractual obligations to exchange principal and interest payments in one currency for principal and interest payments in another currency. Unlike interest rate swaps, cross currency swaps involve the exchange of the principal amount and interest payments are settled gross. The fair value of cross currency swaps is determined by using discounted cash flow models. The most significant inputs into those models are yield curves, with reference to currency exchange rates and interest rates available from publicly quoted sources at the balance date.

Credit default swaps

Credit default swaps are contracts where there is a transfer of the credit exposure to provide the lender with a means of protection against credit risk. The fair value of credit default swaps is determined by using discounted cash flow models. The most significant inputs into those models are market observable yield and credit default swap curves developed from publicly quoted rates at the balance date.

Futures contracts

Futures contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The fair value of equity and interest rate futures contracts is the last quoted sale price on the relevant futures exchange at the balance date.

Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price.

The fair value of exchange traded options is the market margin price of the security, as quoted on its primary exchange at the balance date.

The fair value of unlisted options is determined from quotes supplied by brokers or counterparties at the balance date.

Forward foreign exchange contracts

Forward currency contracts are agreements to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. The fair value of forward foreign exchange contracts is determined by reference to currency exchange rates available from market observable sources at the balance date.

(e) Repurchase Agreements

Securities subject to repurchase agreements are recognised in the Statements of Financial Position as the risk and rewards of ownership remain within the investment portfolio. Collateral received from the counterparty is classified as an asset and disclosed as 'Deposits out - sale and repurchase agreements' in the Statements of Financial Position. The obligation to return this collateral is classified as a liability and disclosed as 'Deposits in - sale and repurchase agreements' in the Statements of Financial Position.

(f) Significant Accounting Judgements, Estimates and Assumptions

The making of judgements, estimates and assumptions is a necessary part of the financial reporting process and these judgements, estimates and assumptions can have a significant effect on the reported amounts in the Financial Report. Estimates and assumptions are determined based on information available at the time of preparing the Financial Report and actual results may differ from these estimates and assumptions. Had different estimates and assumptions been adopted, this may have had a significant impact on the Financial Report. Significant accounting judgements, estimates and assumptions are re-evaluated at each balance date in light of historical experience and changes to reasonable expectations of future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Significant accounting judgements, estimates and assumptions include but are not limited to:

Fair value measurement of investments in financial instruments

The majority of the Schemes' investments are financial instruments held for trading and are measured at fair value through profit or loss. Where available, quoted market prices for the same or similar instrument are used to determine fair value. Where there is no market price available for an instrument, a valuation technique is used. Judgement is applied in selecting valuation techniques and setting valuation assumptions and inputs. Further details on the determination of fair value of financial assets and derivative financial instruments is set out in Note 1(d), 1(e) and 8(d).

EFM FIXED INTEREST FUNDS I

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Significant Accounting Judgements, Estimates and Assumptions (continued)

Assessment of Schemes' investments as structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Schemes.

The Responsible Entity has assessed whether the managed investment funds in which the Schemes invest in should be classified as structured entities. The Responsible Entity has considered the voting rights and other similar rights afforded to investors in these funds, including the rights to remove the fund manager or redeem holdings. The Responsible Entity has concluded on whether these rights are the dominant factor in controlling the funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling these funds.

As voting rights or similar rights are the dominant factor in deciding who controls the funds, the Responsible Entity has concluded that the managed investment funds in which the Schemes invest in are not structured entities.

(g) Investment Income

The following specific recognition criteria must be met before income is recognised:

Distribution income

Distributions from unlisted managed investment funds are recognised as income on the date the unit is quoted ex-distribution with any related foreign withholding tax recognised as a tax expense.

Net changes in the fair value of financial instruments measured at fair value through profit or loss

Net changes in the fair value of financial instruments are recognised as income and are determined as the difference between the fair value at the balance date or consideration received (if sold during the financial year) and the fair value as at the prior balance date or initial fair value (if acquired during the financial year).

Interest income from financial assets measured at amortised cost

Interest income from financial assets measured at amortised cost is earned on cash and cash equivalents and debt instruments measured at amortised cost and is recognised on an accrual basis.

Interest income from financial assets measured at fair value through profit or loss

Interest income from financial assets measured at fair value through profit or loss is income earned on interest bearing securities and is recognised on the date that the Schemes are entitled to receive the interest coupon.

Securities lending income

Securities lending income as part of a securities lending program that the Schemes participate in is recognised on an accrual basis with any related expenses recognised as security lending fees.

(h) Responsible Entity Fee Rebates

Fees may be reimbursed to the Schemes by the Responsible Entity in accordance with specific fee structures applicable to each class of units. These are recognised in the Statements of Comprehensive Income on an accrual basis.

(i) External Investment Management Fee Rebates

Fees may be reimbursed to the Schemes in accordance with specific fee arrangements with external fund managers. These are recognised in the Statements of Comprehensive Income on an accrual basis.

(j) Expenses

Expenses are recognised in the Statements of Comprehensive Income on an accrual basis.

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Broker Deposits

Broker deposits comprise cash held with brokers as collateral for derivative transactions.

(l) Broker Advances

Broker advances comprise cash paid by brokers on behalf of the Schemes as collateral for derivative transactions.

(m) Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, cash and cash equivalents include deposits held at call with a bank or financial institution with an original maturity date of three months or less. Cash and cash equivalents also include investments in unlisted cash trusts (including related party holdings - refer to Note 7(b)(i)), which are readily convertible to cash on hand at the Responsible Entity's option and which the Responsible Entity uses in its day to day management of the Schemes' cash requirements.

Bank overdrafts are shown separately in the Statements of Financial Position.

(n) Receivables

Receivables are recognised for amounts where settlement has not yet occurred. Receivables are measured at amortised cost and are generally received within 30 days of being recognised as receivables. Given the short-term nature of most receivables, their carrying amounts approximate their fair values.

(o) Debt instruments measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest. The Scheme holds deposits held at call with a bank or financial institution with an original maturity date of over three months within this category.

Financial assets measured at amortised cost are initially recognised at fair value exclusive of any transaction costs, and are subsequently measured at amortised cost using the effective interest method less any allowance for impairment. Transaction costs are expensed as incurred in the Statements of Comprehensive Income.

Impairment

The Schemes record expected credit losses (ECLs) on all of its receivables and debt instruments measured at amortised cost, either on a 12-month or lifetime basis. Given the limited exposure of the Schemes to credit risk, no material ECL has been recognised. The Schemes only hold receivables with no financing component and that have maturities of less than 12 months.

(p) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Schemes. Payables are measured at their nominal amounts. Amounts are generally paid within 30 days of being recognised as payables. Given the short-term nature of most payables, their nominal amounts approximate their fair values.

(q) Net Assets Attributable to Unitholders

Net assets attributable to unitholders comprise units on issue and undistributed reserves. On 5 May 2016, the Attribution Managed Investment Trust ("AMIT") tax regime, applying to Managed Investment Trusts was enacted under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. In order to allow the Schemes to elect into the AMIT tax regime, each Scheme's Constitution has been amended and other conditions required to adopt the AMIT tax regime have also been met effective from 31 December 2018. Adopting the AMIT tax regime removes the Responsible Entity's contractual obligation to distribute trust income to unitholders. As the units on issue comprise multiple classes of units with non-identical features, the Schemes' net assets attributable to unitholders cannot be classified as equity; and therefore, have continued to be classified as liabilities in accordance with AASB 132 Financial Instruments: Presentation. As there are no equity holders, total comprehensive income and equity for the Schemes are nil.

The fair value of units requested to be redeemed is measured at the redemption amount that would be payable (based on the exit unit price) at the balance date. Each Scheme's redemption unit price is based on different valuation principles to that applied in financial reporting, resulting in a valuation difference which is treated as a component of net assets attributable to unitholders. Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

EFM FIXED INTEREST FUNDS I

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Taxation

Under tax legislation, the Schemes are generally not liable to pay income tax because the AMIT tax regime now applies and unitholders are attributed the income of each Scheme.

The Schemes currently incur withholding tax imposed by certain countries on investment income. Such income is recognised gross of withholding tax in the Statements of Comprehensive Income and the withholding tax is recognised as a tax expense.

(s) Distributions to Unitholders

Distributions are presented in the Statements of Comprehensive Income as finance costs attributable to unitholders. Adopting the AMIT tax regime removes the Responsible Entity's contractual obligation to distribute trust income to unitholders.

(t) Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the Financial Report are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The presentation currency of this Financial Report, and the functional currency of the Schemes, is the Australian dollar.

(ii) Transactions and balances

Income and expense items denominated in a currency other than the functional currency are translated at the spot exchange rate at the date of the transaction. All monetary items denominated in foreign currencies are translated to Australian dollars using the exchange rate at the balance date, with exchange gains and losses recognised in the Statements of Comprehensive Income.

Non-monetary items measured at fair value in foreign currencies are translated to Australian dollars using the exchange rate at the date when the fair value was determined.

(u) Terms and Conditions of Units on Issue

The Schemes contain multiple unit classes. Each unit, within a unit class, confers upon the unitholder an equal interest in the Schemes (subject to income entitlements), and is of equal value. A unit does not confer an interest in any particular asset or investment of the Schemes.

Unitholders have various rights under each Scheme's Constitution and the Corporations Act, which, subject to certain terms and conditions, include the right to:

- have their units redeemed
- attend and vote at meetings of unitholders
- participate in the termination and winding up of the Schemes.

The rights, obligations and restrictions attached to each unitholder class are identical in all respects other than the minimum investment requirements and/or fee structures applicable to each class. These terms are detailed in each Scheme's Constitution and other governing documents, as applicable.

Issued and paid up units are initially recognised at the fair value of the consideration received by the Schemes. Applications received for units in the Schemes are recognised net of any transaction costs arising on the issue of units in the Schemes. Redemptions from the Schemes are recognised gross of any transaction costs payable relating to the cancellation of units redeemed. Unit entry and exit prices are determined in accordance with each Scheme's Constitution.

(v) Goods and Services Tax ("GST")

All income, expenses and assets are recognised net of any GST paid, except where they relate to products and services which are input taxed for GST purposes or the GST incurred is not recoverable from the relevant tax authorities. In such circumstances, the GST paid is recognised as part of the cost of acquisition of the assets or as part of the relevant expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the tax authorities is included as a receivable or payable in the Statements of Financial Position.

Cash flows are disclosed on a gross basis reflecting any GST paid or collected. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, local tax authorities are classified as operating cash flows.

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Rounding

The amounts in the Financial Report have been rounded to the nearest dollar, under the option available to the Schemes under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 2: AUDITOR'S REMUNERATION

	EFM Fixed Interest Fund 3		EFM Fixed Interest Fund 6		EFM Fixed Interest Fund 7		EFM Fixed Interest Fund 8	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Amounts paid or payable to Ernst & Young, the auditor of the Schemes, for								
Audit and review of the Financial Statements of the Schemes	14,850	14,560	9,550	9,360	9,550	9,360	9,550	9,360
Other services - audit of compliance plan	2,008	1,240	2,008	1,240	2,008	1,240	2,008	1,240
	<u>16,858</u>	<u>15,800</u>	<u>11,558</u>	<u>10,600</u>	<u>11,558</u>	<u>10,600</u>	<u>11,558</u>	<u>10,600</u>
	EFM Fixed Interest Fund 9		EFM Fixed Interest Fund 10					
	31 December 2019	31 December 2018	31 December 2019	31 December 2018				
	\$	\$	\$	\$				
Amounts paid or payable to Ernst & Young, the auditor of the Schemes, for								
Audit and review of the Financial Statements of the Schemes	9,550	9,360	9,550	9,360				
Other services - audit of compliance plan	2,008	1,240	2,008	1,240				
	<u>11,558</u>	<u>10,600</u>	<u>11,558</u>	<u>10,600</u>				

For further details of expenses incurred by the Responsible Entity and the Schemes, refer to Note 7(c).

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 3: RECEIVABLES

	EFM Fixed Interest Fund 3		EFM Fixed Interest Fund 6		EFM Fixed Interest Fund 7		EFM Fixed Interest Fund 8	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Distributions receivable	-	-	603,484	654,622	-	-	-	-
Interest receivable	40	137	-	-	33,812	21,477	114,901	143,328
Outstanding settlements receivable	-	-	1,500,000	-	-	-	3,834,951	4,834,742
Applications receivable*	-	-	86,069	254,027	-	-	327,651	253,718
GST receivable	-	-	-	22	890	1,229	18,459	15,848
Responsible entity fee rebates receivable	19,065	23,563	57,538	66,320	-	-	-	-
Withholding tax reclaims receivable	-	-	-	-	-	-	473	-
	<u>19,105</u>	<u>23,700</u>	<u>2,247,091</u>	<u>974,991</u>	<u>34,702</u>	<u>22,706</u>	<u>4,296,435</u>	<u>5,247,636</u>

	EFM Fixed Interest Fund 9		EFM Fixed Interest Fund 10	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$
Distributions receivable	-	-	-	-
Interest receivable	25,287	57,094	3,208	52,898
Outstanding settlements receivable	-	-	-	-
Applications receivable*	-	-	9,381	131
GST receivable	801	106	997	1,914
Responsible entity fee rebates receivable	-	-	79,687	81,677
Withholding tax reclaims receivable	-	-	3,450	-
	<u>26,088</u>	<u>57,200</u>	<u>96,723</u>	<u>136,620</u>

*Applications receivable represents uncontributed capital.

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 4: PAYABLES

	EFM Fixed Interest Fund 3		EFM Fixed Interest Fund 6		EFM Fixed Interest Fund 7		EFM Fixed Interest Fund 8	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible entity fees payable	-	-	-	-	720	683	92,395	60,337
Interest payable	-	-	357	-	-	-	-	-
Custody fees payable	-	-	-	323	-	5,381	-	62,472
Outstanding settlements payable	-	-	-	-	494,928	-	-	5,550,688
Redemptions payable	529,125	39,629	447,396	73,668	-	27,932	300,738	279,842
	<u>529,125</u>	<u>39,629</u>	<u>447,753</u>	<u>73,991</u>	<u>495,648</u>	<u>33,996</u>	<u>393,133</u>	<u>5,953,339</u>
	EFM Fixed Interest Fund 9		EFM Fixed Interest Fund 10					
	31 December 2019	31 December 2018	31 December 2019	31 December 2018				
	\$	\$	\$	\$				
Responsible entity fees payable	2,167	1,135	-	-				
Interest payable	-	-	26,224	-				
Custody fees payable	-	2,511	-	19,236				
Outstanding settlements payable	-	-	-	-				
Redemptions payable	556,907	158,025	9,155	1,773				
	<u>559,074</u>	<u>161,671</u>	<u>35,379</u>	<u>21,009</u>				

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 5: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The movement in the number of units on issue during the financial year was as follows:

	EFM Fixed Interest Fund 3		EFM Fixed Interest Fund 6		EFM Fixed Interest Fund 7		EFM Fixed Interest Fund 8	
	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units
Units on issue								
Opening balance	109,092,799	111,243,553	188,344,595	105,836,556	187,221,359	195,757,275	562,640,328	479,909,857
Applications	5,166,992	8,321,364	76,439,538	99,489,361	335,063	3,316,030	122,597,114	122,860,975
Distributions to unitholders reinvested	2,782,360	5,850,466	5,069,670	4,970,940	8,340,944	4,800,601	7,665,271	8,369,043
Redemptions	(24,030,662)	(16,322,584)	(65,406,326)	(21,952,262)	(34,977,973)	(16,652,547)	(92,228,173)	(48,499,547)
Closing balance	<u>93,011,489</u>	<u>109,092,799</u>	<u>204,447,477</u>	<u>188,344,595</u>	<u>160,919,393</u>	<u>187,221,359</u>	<u>600,674,540</u>	<u>562,640,328</u>
Represented by:								
Retail Class								
Opening balance	5,666,101	6,066,889	-	-	-	-	-	-
Applications	1,256,411	996,220	-	-	-	-	-	-
Distributions to unitholders reinvested	193,039	223,273	-	-	-	-	-	-
Redemptions	(1,896,546)	(1,620,281)	-	-	-	-	-	-
Closing balance	<u>5,219,005</u>	<u>5,666,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
No Fee Class								
Opening balance	93,766,166	96,351,334	89,747,337	82,299,814	186,687,577	195,262,714	388,505,497	400,407,937
Applications	1,364,405	5,460,323	813,232	16,005,398	218,257	3,055,553	4,730,863	4,636,890
Distributions to unitholders reinvested	2,288,815	5,248,780	4,967,936	4,938,635	8,322,358	4,794,634	7,652,347	8,359,290
Redemptions	(19,924,644)	(13,294,271)	(26,219,238)	(13,496,510)	(34,902,159)	(16,425,324)	(54,358,415)	(24,898,620)
Closing balance	<u>77,494,742</u>	<u>93,766,166</u>	<u>69,309,267</u>	<u>89,747,337</u>	<u>160,326,033</u>	<u>186,687,577</u>	<u>346,530,292</u>	<u>388,505,497</u>
Explicit Pricing Class								
Opening balance	9,660,532	8,825,330	1,643,303	1,169,195	533,782	494,561	905,309	853,919
Applications	2,546,176	1,864,821	286,587	1,022,804	116,806	260,477	531,954	231,025
Distributions to unitholders reinvested	300,506	378,413	101,734	32,305	18,586	5,967	12,924	9,753
Redemptions	(2,209,472)	(1,408,032)	(443,688)	(581,001)	(75,814)	(227,223)	(320,855)	(189,388)
Closing balance	<u>10,297,742</u>	<u>9,660,532</u>	<u>1,587,936</u>	<u>1,643,303</u>	<u>593,360</u>	<u>533,782</u>	<u>1,129,332</u>	<u>905,309</u>
On-Platform A Class								
Opening balance	-	-	96,953,955	22,367,547	-	-	173,229,522	78,648,001
Applications	-	-	75,339,719	82,461,159	-	-	117,334,297	117,993,060
Redemptions	-	-	(38,743,400)	(7,874,751)	-	-	(37,548,903)	(23,411,539)
Closing balance	<u>-</u>	<u>-</u>	<u>133,550,274</u>	<u>96,953,955</u>	<u>-</u>	<u>-</u>	<u>253,014,916</u>	<u>173,229,522</u>

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 5: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

	EFM Fixed Interest Fund 9		EFM Fixed Interest Fund 10	
	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units
Units on issue				
Opening balance	283,655,590	307,016,949	149,584,530	147,690,547
Applications	5,035,919	2,385,576	12,490,061	10,078,499
Distributions to unitholders reinvested	14,609,151	6,825,708	2,173,419	669,553
Redemptions	<u>(43,562,889)</u>	<u>(32,572,643)</u>	<u>(19,366,568)</u>	<u>(8,854,069)</u>
Closing balance	<u><u>259,737,771</u></u>	<u><u>283,655,590</u></u>	<u><u>144,881,442</u></u>	<u><u>149,584,530</u></u>
Represented by:				
Retail Class				
Opening balance	-	-	-	-
Applications	-	-	-	-
Distributions to unitholders reinvested	-	-	-	-
Redemptions	-	-	-	-
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
No Fee Class				
Opening balance	282,796,769	306,215,615	141,953,077	144,559,787
Applications	4,091,931	2,277,436	4,802,491	4,829,307
Distributions to unitholders reinvested	14,565,076	6,817,145	2,167,411	669,553
Redemptions	<u>(43,244,118)</u>	<u>(32,513,427)</u>	<u>(16,828,171)</u>	<u>(8,105,570)</u>
Closing balance	<u><u>258,209,658</u></u>	<u><u>282,796,769</u></u>	<u><u>132,094,808</u></u>	<u><u>141,953,077</u></u>
Explicit Pricing Class				
Opening balance	858,821	801,334	383,906	342,588
Applications	943,988	108,140	75,600	48,639
Distributions to unitholders reinvested	44,075	8,563	6,008	-
Redemptions	<u>(318,771)</u>	<u>(59,216)</u>	<u>(98,172)</u>	<u>(7,321)</u>
Closing balance	<u><u>1,528,113</u></u>	<u><u>858,821</u></u>	<u><u>367,342</u></u>	<u><u>383,906</u></u>
On-Platform A Class				
Opening balance	-	-	7,247,547	2,788,172
Applications	-	-	7,611,970	5,200,553
Redemptions	-	-	<u>(2,440,225)</u>	<u>(741,178)</u>
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>12,419,292</u></u>	<u><u>7,247,547</u></u>

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 6: CASH AND CASH EQUIVALENTS

	EFM Fixed Interest Fund 3		EFM Fixed Interest Fund 6		EFM Fixed Interest Fund 7		EFM Fixed Interest Fund 8	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reconciliation of net profit/(loss) attributable to unitholders after tax expenses and before finance costs to net cash inflow/(outflow) from operating activities								
Net profit/(loss) attributable to unitholders after tax expenses and before finance costs	7,051,847	747,911	7,937,991	71,621	9,133,006	2,913,659	45,620,887	13,681,401
Proceeds from sales of financial instruments measured at fair value through profit or loss	15,551,001	14,875,000	19,810,000	2,200,000	113,435,929	75,261,063	364,753,508	614,673,788
Payments for purchases of financial instruments measured at fair value through profit or loss	-	(7,450,000)	(31,280,998)	(83,670,000)	(75,018,278)	(70,446,417)	(416,275,519)	(688,436,770)
Net changes in the fair value of financial instruments measured at fair value through profit or loss	(6,504,930)	2,122,569	745,278	8,420,236	(2,045,390)	3,034,214	(22,006,847)	(2,272,191)
Investment income reinvested	(283,824)	(2,588,751)	(7,942,803)	(7,434,675)	(2,595,802)	(2,028,535)	-	-
Net foreign exchange (gain)/loss on cash and cash equivalents	-	-	-	-	12,343	109,203	(5,220,540)	3,708,030
Net change in broker deposits/(advances)	-	-	-	-	(421,045)	1,314,685	17,518,265	(17,394,196)
Changes in assets and liabilities:								
(Increase)/decrease in receivables	4,595	2,649	59,942	(301,570)	(11,996)	756,763	25,343	(122,668)
Increase/(decrease) in payables	-	-	34	(292)	(5,344)	(6,140)	(30,414)	(12,850)
Net cash inflow/(outflow) from operating activities	15,818,689	7,709,378	(10,670,556)	(80,714,680)	42,483,423	10,908,495	(15,615,317)	(76,175,456)
(b) Non-cash financing and operating activities								
Non-cash financing and operating activities carried out during the financial year on normal commercial terms and conditions comprised:								
Distributions to unitholders reinvested	2,447,407	4,877,496	5,107,679	5,223,995	8,410,003	4,849,119	7,990,811	8,491,985
Participation in reinvestment plans	283,824	2,588,751	7,942,803	7,434,675	2,386,096	1,771,391	-	-
Investment fee rebates reinvested	-	-	-	-	209,706	257,144	-	-

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 6: CASH AND CASH EQUIVALENTS (Continued)

	EFM Fixed Interest Fund 9		EFM Fixed Interest Fund 10	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$
(a) Reconciliation of net profit/(loss) attributable to unitholders after tax expenses and before finance costs to net cash inflow/(outflow) from operating activities				
Net profit/(loss) attributable to unitholders after tax expenses and before finance costs	21,458,577	12,677,472	8,185,092	1,179,411
Proceeds from sales of financial instruments measured at fair value through profit or loss	186,712,345	143,868,387	199,176,302	197,795,507
Payments for purchases of financial instruments measured at fair value through profit or loss	(153,778,104)	(130,104,269)	(196,838,904)	(202,481,626)
Net changes in the fair value of financial instruments measured at fair value through profit or loss	(13,357,092)	(3,256,956)	(3,712,190)	3,554,734
Investment income reinvested	-	-	(81,524)	-
Net foreign exchange (gain)/loss on cash and cash equivalents	27,686	(3,106)	(191,333)	(100,741)
Net change in broker deposits/(advances)	(1,851,453)	(531,928)	(10,001)	27,780
Changes in assets and liabilities:				
(Increase)/decrease in receivables	31,112	4,007	49,147	36,633
Increase/(decrease) in payables	(1,479)	(763)	6,988	(34,727)
Net cash inflow/(outflow) from operating activities	39,241,592	22,652,844	6,583,577	(23,029)
(b) Non-cash financing and operating activities				
Non-cash financing and operating activities carried out during the financial year on normal commercial terms and conditions comprised:				
Distributions to unitholders reinvested	15,049,177	6,751,251	2,238,132	673,684
Participation in reinvestment plans	-	-	81,524	-
Investment fee rebates reinvested	-	-	-	-

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 7: RELATED PARTY DISCLOSURES

(a) General Information

The Responsible Entity of the Schemes is AMP Capital Funds Management Limited, a subsidiary of AMP Limited.

(b) Investments

(i) Related party holdings of the Schemes

Details of the Schemes' holdings in related parties, including entities in the same group as the Responsible Entity and other Schemes managed by the Responsible Entity, are set out below:

	Fair value \$		Interest held %		Interest received or receivable during the financial year \$	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
EFM Fixed Interest Fund 6						
AMP Capital Managed Cash Fund	-	3,631,115	-	0.06	32,944	22,847
EFM Fixed Interest Fund 7						
AMP Capital Managed Cash Fund	312,298	-	0.01	-	7,890	17,785
EFM Fixed Interest Fund 8						
AMP Capital Managed Cash Fund	6,181,492	5,027,260	0.13	0.09	76,410	98,194
EFM Fixed Interest Fund 9						
AMP Capital Managed Cash Fund	1,424,801	195,660	0.03	0.00	14,507	19,615
EFM Fixed Interest Fund 10						
AMP Capital Managed Cash Fund	445,313	474,996	0.01	0.01	7,994	21,671

(ii) Related party investors in the Schemes

Details of related party investors in the Schemes, including the Responsible Entity, entities in the same group as the Responsible Entity and other Schemes managed by the Responsible Entity, are set out below:

	Number of units held	Interest held %	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions paid or payable during the financial year \$
EFM Fixed Interest Fund 3					
31 December 2019					
AMP Life Limited	77,494,742	83.43	3,653,220	(19,924,644)	1,986,050
31 December 2018					
AMP Life Limited	93,766,166	85.79	10,709,103	(13,294,271)	4,130,028

AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 7: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (continued)

(ii) Related party investors in the Schemes (continued)

	Number of units held	Interest held %	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions paid or payable during the financial year \$
EFM Fixed Interest Fund 6					
31 December 2019					
AMP Life Limited	69,309,267	33.16	5,781,168	(26,219,238)	4,902,573
31 December 2018					
AMP Life Limited	89,747,337	46.66	20,944,033	(13,496,510)	5,213,887
EFM Fixed Interest Fund 7					
31 December 2019					
AMP Life Limited	160,326,033	99.64	8,540,615	(34,902,159)	9,562,676
31 December 2018					
AMP Life Limited	186,687,577	99.72	7,850,187	(16,425,324)	2,970,426
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					
EFM Fixed Interest Fund 8					
31 December 2019					
AMP Life Limited	245,953,333	41.11	7,130,606	(41,455,442)	7,237,660
Experts' Choice Diversified Interest Income Fund	81,749,599	13.66	3,844,845	(9,448,998)	2,313,409
AMP Capital Specialist Diversified Fixed Income Fund	18,827,360	3.15	1,407,759	(3,453,975)	531,339
31 December 2018					
AMP Life Limited	280,278,169	49.94	9,982,497	(17,463,272)	7,150,198
Experts' Choice Diversified Interest Income Fund	87,353,752	15.57	-	(6,400,250)	2,279,543
AMP Capital Specialist Diversified Fixed Income Fund	20,873,576	3.72	3,013,683	(1,035,099)	529,707
EFM Fixed Interest Fund 9					
31 December 2019					
AMP Life Limited	198,033,604	76.25	13,833,488	(35,510,099)	15,144,715
Experts' Choice Diversified Interest Income Fund	48,708,405	18.75	3,910,610	(6,142,865)	3,433,702
AMP Capital Specialist Diversified Fixed Income Fund	11,467,649	4.42	912,910	(1,591,156)	808,086

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 7: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (continued)

(ii) Related party investors in the Schemes (continued)

	Number of units held	Interest held %	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions paid or payable during the financial year \$
EFM Fixed Interest Fund 9 (continued)					
31 December 2018					
AMP Life Limited	219,710,215	77.46	7,102,905	(30,100,204)	6,572,282
Experts' Choice Diversified Interest Income Fund	50,940,660	17.96	-	(2,211,039)	1,473,566
AMP Capital Specialist Diversified Fixed Income Fund	12,145,895	4.28	1,991,676	(202,182)	318,695
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					
EFM Fixed Interest Fund 10					
31 December 2019					
AMP Life Limited	71,509,906	49.49	1,895,494	(10,058,507)	2,735,824
Experts' Choice Diversified Interest Income Fund	48,893,985	33.84	3,916,425	(5,319,058)	1,815,862
AMP Capital Specialist Diversified Fixed Income Fund	11,690,917	8.09	1,157,983	(1,450,606)	420,283
31 December 2018					
AMP Life Limited	79,672,919	53.34	3,928,110	(2,694,335)	579,489
Experts' Choice Diversified Interest Income Fund	50,296,618	33.67	-	(4,417,068)	392,775
AMP Capital Specialist Diversified Fixed Income Fund	11,983,540	8.02	1,570,750	(994,167)	94,195

(c) Transactions with the Responsible Entity and its Related Parties

All transactions between the Schemes and related parties have been at market value on normal commercial terms and conditions. This includes purchases and sales of financial instruments, as well as applications and redemptions of units.

In accordance with each Scheme's Constitution, the Responsible Entity is entitled to receive fees for the provision of services to the Schemes and to be reimbursed for certain expenditure incurred in the administration of the Schemes.

	31 December 2019 \$	31 December 2018 \$
Responsible entity fees expensed during the financial year		
EFM Fixed Interest Fund 7	8,211	8,453
EFM Fixed Interest Fund 8	894,765	537,049
EFM Fixed Interest Fund 9	16,612	12,726
EFM Fixed Interest Fund 10	47,881	29,431

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 7: RELATED PARTY DISCLOSURES (Continued)

(c) Transactions with the Responsible Entity and its Related Parties (continued)

	31 December 2019	31 December 2018
Responsible entity fee rebates received during the financial year	\$	\$
EFM Fixed Interest Fund 3	260,889	279,583
EFM Fixed Interest Fund 6	759,395	746,738

During the financial year the Responsible Entity incurred certain expenses on behalf of the Schemes. Other expenses incurred by the Responsible Entity may be reimbursable from the Schemes to the Responsible Entity in accordance with each Scheme's Constitution and other governing documents, as applicable.

During the financial year the Schemes paid securities lending fees to the service provider, AMP Capital Investors Limited, a related party of the Schemes.

	31 December 2019	31 December 2018
Securities lending fees expensed during the financial year	\$	\$
EFM Fixed Interest Fund 10	580	941

(d) Key Management Personnel

AASB 124 "Related Party Disclosures" defines key management personnel ("KMP") as including all Non-Executive Directors, Executive Directors and any other persons having authority or responsibility for planning, directing and controlling the activities of the Schemes. The Schemes have no direct employees, however the Directors of the Responsible Entity have been deemed to be Directors of the Schemes. These individuals comprise the KMP of the Schemes.

Key management personnel services are provided by the Responsible Entity and the remuneration paid to the Responsible Entity is detailed in Note 7(c) above. No Director of the Responsible Entity was paid any remuneration by the Schemes during the financial year. Compensation paid to these Directors by the Responsible Entity, or related entities of the Responsible Entity, is not related to services they render to the individual funds.

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risks arising from holding financial instruments are inherent in the Schemes' activities, and are managed through a process of ongoing identification, measurement and monitoring.

Financial instruments of the Schemes comprise investments in financial assets and liabilities measured at fair value through profit or loss, cash and cash equivalents, broker deposits/advances, net assets attributable to unitholders, and other financial instruments such as receivables and payables, which arise directly from the Schemes' operations.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments. The Schemes are exposed to credit risk, liquidity risk and market risk.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Schemes from reasonably possible changes in the relevant risk variables. Information about these risk exposures for the financial year is provided below. Where the Schemes have material risk exposures, risk sensitivity analysis is presented for illustrative purposes. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflect the investment strategy and market environment of the Schemes, as well as the level of risk that the Schemes are willing to accept.

The management of these risks is carried out by AMP Capital Investors Limited, as investment manager, including at its investment committees, under policies adopted by the Responsible Entity.

As part of its risk management strategy, the Schemes may use derivatives to manage certain risk exposures.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

To avoid excessive concentrations of risk, the Schemes monitor their exposure to ensure concentrations of risk remain within acceptable levels and either reduces exposure or uses derivative financial instruments to manage the excessive risk concentrations when they arise.

The Responsible Entity's objectives when managing capital are to safeguard the Schemes' ability to continue as a going concern, so it can continue to provide returns to unitholders and to maintain an optimal capital structure. To maintain or adjust the capital structure, the Responsible Entity may reinvest distributions. The Schemes do not have any externally imposed capital requirements.

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations under a contract.

The Schemes' maximum credit risk exposure at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statements of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the maximum exposure at the balance date.

In relation to investments in equity securities and managed investment funds, the credit risk associated with these financial instruments is minimised by undertaking transactions with counterparties on recognised exchanges, and ensuring that, where possible, transactions are undertaken with a number of counterparties to avoid a concentration of credit risk.

In relation to derivative financial instruments, the credit risk associated with these financial instruments is minimised by undertaking transactions with counterparties on recognised exchanges, and ensuring that, where possible, transactions are undertaken with a number of counterparties to avoid a concentration of credit risk. Credit risk associated with non-exchange traded derivative financial instruments is minimised through the use of master netting agreements, and ensuring that, where possible, transactions are undertaken with a number of counterparties to avoid a concentration of credit risk.

Credit risk is not considered to be significant to the Schemes except in relation to investments in interest bearing securities and debt instruments measured at amortised cost. Receivable balances are monitored on an ongoing basis. The Schemes' exposure to bad debts is not significant.

The Schemes hold no collateral as security or any other credit enhancements, other than broker deposits. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired except for the terms having been renegotiated.

Credit quality per class of financial instrument

The credit quality of financial assets is managed by the Schemes using Standard and Poor's rating categories, in accordance with the investment mandate of the Schemes. The Schemes' exposure in each grade is monitored on a daily basis. This review process allows the Responsible Entity to assess the potential loss as a result of risks and take corrective action where required.

The table below shows the credit quality of the Schemes' interest bearing securities measured at fair value through profit or loss and debt instruments measured at amortised cost.

	AAA to AA- \$	A+ to A- \$	BBB+ to BBB- \$	BB+ and Lower \$	Unrated* \$	Total \$
EFM Fixed Interest Fund 7						
31 December 2019	23,719,066	22,718,858	25,033,752	504,550	29,632,230	101,608,456
31 December 2018	26,667,110	28,716,999	45,428,053	790,739	30,737,617	132,340,518
EFM Fixed Interest Fund 8						
31 December 2019	237,254,633	50,104,176	120,872,428	32,816,740	178,786,794	619,834,771
31 December 2018	209,463,511	60,365,037	101,664,075	29,507,601	170,257,428	571,257,652
EFM Fixed Interest Fund 9						
31 December 2019	162,662,585	23,249,415	51,602,567	-	18,556,345	256,070,912
31 December 2018	203,046,890	17,885,909	29,143,139	-	25,191,560	275,267,498
EFM Fixed Interest Fund 10						
31 December 2019	28,553,823	20,334,438	37,152,651	11,392,569	43,453,298	140,886,779
31 December 2018	45,250,060	19,273,499	28,709,316	9,203,106	46,473,307	148,909,288

*"Unrated" includes interest bearing securities which do not yet have a rating, for example for new issuers, but are selected in line with the investment mandate of the Schemes.

Interest bearing securities on loan

Certain securities are on loan as part of securities lending program that certain Schemes participates in, as recognised in the Statements of Financial Position. As at 31 December 2019, the total value of the securities on loan are fully collateralised and are held by the Scheme's custodian, BNP Paribas Fund Services Australasia. Securities of the Schemes may be lent to approved borrowers, such as brokers and other financial institutions. The borrower lodges collateral against the securities lent either in the form of cash or approved securities.

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (continued)

Interest bearing securities on loan (continued)

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate the risks associated with securities lending, the Scheme have been provided with borrower default indemnities by BNP Paribas Securities Services, acting as the Security Lending Agent. The indemnity allows for full replacement of securities lent in the case of a borrower default.

(b) Liquidity risk

Liquidity risk is the risk that the Schemes will encounter difficulty in meeting obligations associated with financial liabilities as and when they fall due.

The Schemes manage liquidity risk by monitoring application and redemption requests to ensure sufficient liquidity is available; investing in financial instruments which under normal market conditions are readily convertible to cash; and maintaining sufficient cash and cash equivalents to meet normal operating requirements.

Maturity analysis for financial liabilities

Financial liabilities of the Schemes comprise trade and other payables, distributions payable, derivative financial instruments and net assets attributable to unitholders. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days.

Net assets attributable to unitholders are payable on demand, however the Responsible Entity has the power under each Scheme's Constitution to amend the timing of redemption payments.

Derivative financial instruments measured at fair value through profit or loss are held for trading as they are held for the purposes of:

- reducing risks which may occur as a result of changes in interest rates, credit risk, equity prices, currency movements or other factors; and/or
- gaining exposure to physical investments.

Although they have contractual maturities, management's expectation is that they will typically dispose of them within a shorter period of time.

Maturities of gross settled derivative financial instruments

The table below details the Schemes' derivative financial instruments (assets and liabilities) into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 month	1-3 months	3-12 months	Greater than 1 year	Total
	\$	\$	\$	\$	\$
EFM Fixed Interest Fund 7					
31 December 2019					
Inflows	3,114,903	32,072,739	995,349	4,896,790	41,079,781
(Outflows)	(3,029,374)	(31,236,944)	(1,299,860)	(7,424,514)	(42,990,692)
31 December 2018					
Inflows	42,842,783	4,325,054	1,542,536	11,530,000	60,240,373
(Outflows)	(43,955,174)	(3,609,023)	(1,310,411)	(10,219,081)	(59,093,689)
EFM Fixed Interest Fund 8					
31 December 2019					
Inflows	573,758,015	117,471,565	40,109,597	12,390,097	743,729,274
(Outflows)	(563,656,133)	(116,886,979)	(41,616,122)	(14,414,102)	(736,573,336)

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (continued)

Maturities of gross settled derivative financial instruments (continued)

	Less than 1 month \$	1-3 months \$	3-12 months \$	Greater than 1 year \$	Total \$
EFM Fixed Interest Fund 8 (continued)					
31 December 2018					
Inflows	556,549,439	97,392,213	100,587,121	20,273,303	774,802,076
(Outflows)	(567,270,157)	(97,552,391)	(102,827,401)	(24,637,340)	(792,287,289)
EFM Fixed Interest Fund 9					
31 December 2019					
Inflows	-	35,351,623	-	-	35,351,623
(Outflows)	-	(36,013,377)	(180,697)	(968,350)	(37,162,424)
31 December 2018					
Inflows	-	17,053,931	-	-	17,053,931
(Outflows)	-	(17,232,956)	(436,232)	(2,368,580)	(20,037,768)
EFM Fixed Interest Fund 10					
31 December 2019					
Inflows	167,735,803	23,727,730	310,458	4,777,587	196,551,578
(Outflows)	(165,595,655)	(23,724,120)	(159,460)	(681,997)	(190,161,232)
31 December 2018					
Inflows	126,532,939	47,132,734	-	5,690,418	179,356,091
(Outflows)	(128,111,565)	(48,005,295)	(129,000)	(600,595)	(176,846,455)

(c) Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

Australian Accounting Standards require the disclosure of sensitivity to changes in market risk variables such as interest rates, foreign exchange rates and equity prices. This sensitivity is not intended to show the impact on the Schemes' financial performance for the entire period, just an illustrative example of the direct impact of a change in the value of the financial instruments measured at the balance date as a result of the change in market rate. The sensitivity is required to show the impact of a reasonably possible change in market rate over the period to the subsequent balance date. It is not intended to illustrate a remote, worst case or stress test scenario.

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market risk (continued)

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Schemes have established limits on investments in interest bearing securities, which are monitored on a daily basis.

The table below demonstrates the impact of a 100 basis point movement in interest rates on the Schemes' interest income and net assets attributable to unitholders, with all other variables held constant. It is assumed that the relevant change occurs at the balance date.

	Change in interest rate		Effect on interest income from the impact of interest rate changes on floating rate securities		Effect on net assets attributable to unitholders from the impact of interest rate changes on fixed rate securities	
	Increase	Decrease	Increase \$	Decrease \$	Increase \$	Decrease \$
EFM Fixed Interest Fund 7						
31 December 2019						
Interest bearing securities	+100 bps	-100 bps	464,572	(464,572)	(2,297,127)	2,297,127
31 December 2018						
Interest bearing securities	+100 bps	-100 bps	630,087	(630,087)	(1,683,752)	1,683,752
EFM Fixed Interest Fund 8						
31 December 2019						
Interest bearing securities	+100 bps	-100 bps	664,507	(664,507)	(39,159,202)	39,159,202
31 December 2018						
Interest bearing securities	+100 bps	-100 bps	668,793	(668,793)	(27,089,427)	27,089,427
EFM Fixed Interest Fund 9						
31 December 2019						
Interest bearing securities	+100 bps	-100 bps	347,118	(347,118)	(14,522,453)	14,522,453
31 December 2018						
Interest bearing securities	+100 bps	-100 bps	242,851	(242,851)	(14,375,114)	14,375,114

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market risk (continued)

Interest rate risk (continued)

	Change in interest rate		Effect on interest income from the impact of interest rate changes on floating rate securities		Effect on net assets attributable to unitholders from the impact of interest rate changes on fixed rate securities	
	Increase	Decrease	Increase \$	Decrease \$	Increase \$	Decrease \$
EFM Fixed Interest Fund 10						
31 December 2019						
Interest bearing securities	+100 bps	-100 bps	92,797	(92,797)	(5,085,638)	5,085,638
31 December 2018						
Interest bearing securities	+100 bps	-100 bps	111,688	(111,688)	(2,430,511)	2,430,511

The interest rate sensitivity for cash and cash equivalents and debt instruments measured at amortised cost is not significant to the Schemes.

Foreign exchange risk

Foreign exchange risk is the risk that the value of monetary securities denominated in currencies other than the Australian dollar will fluctuate due to changes in foreign exchange rates. The risk is measured using sensitivity analysis.

The table below demonstrates the impact of a 10% movement in the exchange rate against the Australian dollar on the net profit/(loss) attributable to unitholders and net assets attributable to unitholders, with all other variables held constant. It is assumed that the relevant change occurs at the balance date.

	Effect on net assets attributable to unitholders and net profit/(loss) attributable to unitholders after tax expense and before finance costs	
	-10% \$	+10% \$
EFM Fixed Interest Fund 3		
31 December 2019	(2)	2
31 December 2018	(2)	2
EFM Fixed Interest Fund 7		
31 December 2019	(187,731)	187,731
31 December 2018	(108,048)	108,048
EFM Fixed Interest Fund 8		
31 December 2019	(1,248,575)	1,248,575
31 December 2018	(170,714)	170,714
EFM Fixed Interest Fund 9		
31 December 2019	(11,309)	11,309
31 December 2018	(11,997)	11,997

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market risk (continued)

Foreign exchange risk (continued)

	Effect on net assets attributable to unitholders and net profit/(loss) attributable to unitholders after tax expense and before finance costs	
	-10%	+10%
	\$	\$
EFM Fixed Interest Fund 10		
31 December 2019	(168,960)	168,960
31 December 2018	(89,058)	89,058

The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk.

Price risk

Price risk is the risk that the fair value of equity securities, equity derivatives and managed investment funds decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual equity securities or managed investment funds or factors affecting all financial instruments in the market. Price risk exposure arises from the Schemes' investment portfolios. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates.

Price risk is managed by monitoring compliance with established investment mandate limits.

All securities present a risk of loss of capital. The maximum risk resulting from equity securities and managed investment funds is determined by the fair value of the financial instruments. The maximum risk resulting from equity derivatives is determined by reference to the notional value of the financial instruments.

The table below demonstrates the impact of a 10% movement in the price of units in equity securities, equity derivatives and managed investment funds. This sensitivity analysis has been performed to assess the direct risk of holding equity securities, equity derivatives and managed investment funds with all other variables held constant. It is assumed that the relevant change occurs at the balance date.

	Price Risk	
	-10%	+10%
	\$	\$
EFM Fixed Interest Fund 3		
31 December 2019	(8,186,631)	8,186,631
31 December 2018	(9,062,856)	9,062,856
EFM Fixed Interest Fund 6		
31 December 2019	(20,808,167)	20,808,167
31 December 2018	(19,091,314)	19,091,314
EFM Fixed Interest Fund 7		
31 December 2019	(4,621,235)	4,621,235
31 December 2018	(4,700,561)	4,700,561
EFM Fixed Interest Fund 9		
31 December 2019	(356,859)	356,859
31 December 2018	(314,846)	314,846
EFM Fixed Interest Fund 10		
31 December 2019	(452,896)	452,896
31 December 2018	-	-

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement

Financial assets and liabilities measured at fair value are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure a financial asset or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels are:

Level 1: Valued by reference to quoted prices in active markets for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: Valued using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These may include investment grade corporate bonds, certain unlisted unit trusts and over-the-counter derivatives.

Typically, prices of units in unlisted managed investment trusts that are published on the investment manager's website and/or obtained from unitholder statements, are categorised as Level 2.

In the absence of a quoted price in an active market, interest bearing securities are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. To the extent that the significant inputs are observable, the Responsible Entity categorises these interest bearing securities as Level 2.

Level 3: Valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable inputs are determined based on the best information available, which might include the Schemes' own data, reflecting the Schemes' own assumptions about the assumptions that market participants would use in pricing the asset or liability. Valuation techniques are used to the extent that observable inputs are not available.

The table below shows the Schemes' financial assets and liabilities measured at fair value on a recurring basis by each level of the fair value hierarchy. The Schemes did not measure any financial assets or liabilities at fair value on a non-recurring basis as at 31 December 2019 (31 December 2018: nil).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
EFM Fixed Interest Fund 3				
31 December 2019				
Unlisted managed investment funds	-	81,866,310	-	81,866,310
Total	-	81,866,310	-	81,866,310
31 December 2018				
Unlisted managed investment funds	-	90,628,557	-	90,628,557
Total	-	90,628,557	-	90,628,557
EFM Fixed Interest Fund 6				
31 December 2019				
Unlisted managed investment funds	-	208,081,666	-	208,081,666
Total	-	208,081,666	-	208,081,666
31 December 2018				
Unlisted managed investment funds	-	190,913,143	-	190,913,143
Total	-	190,913,143	-	190,913,143

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
EFM Fixed Interest Fund 7				
31 December 2019				
Interest bearing securities	-	100,606,909	-	100,606,909
Derivative financial assets	387,182	1,474,911	-	1,862,093
Derivative financial liabilities	(395,116)	(1,556,021)	-	(1,951,137)
Unlisted managed investment funds	-	46,212,348	-	46,212,348
Total	<u>(7,934)</u>	<u>146,738,147</u>	<u>-</u>	<u>146,730,213</u>
31 December 2018				
Interest bearing securities	-	132,340,518	-	132,340,518
Derivative financial assets	1,142,139	2,758,222	-	3,900,361
Derivative financial liabilities	(365,590)	(1,867,605)	-	(2,233,195)
Unlisted managed investment funds	-	47,005,607	-	47,005,607
Total	<u>776,549</u>	<u>180,236,742</u>	<u>-</u>	<u>181,013,291</u>
EFM Fixed Interest Fund 8				
31 December 2019				
Interest bearing securities	-	619,834,771	-	619,834,771
Derivative financial assets	643,531	18,630,392	-	19,273,923
Derivative financial liabilities	(1,743,914)	(13,042,668)	-	(14,786,582)
Total	<u>(1,100,383)</u>	<u>625,422,495</u>	<u>-</u>	<u>624,322,112</u>
31 December 2018				
Interest bearing securities	-	571,257,652	-	571,257,652
Derivative financial assets	2,614,183	9,032,051	-	11,646,234
Derivative financial liabilities	(2,398,778)	(18,845,944)	-	(21,244,722)
Total	<u>215,405</u>	<u>561,443,759</u>	<u>-</u>	<u>561,659,164</u>
EFM Fixed Interest Fund 9				
31 December 2019				
Interest bearing securities	2,201,028	253,869,884	-	256,070,912
Derivative financial assets	442,610	683,973	-	1,126,583
Derivative financial liabilities	(1,455,930)	(724,426)	-	(2,180,356)
Unlisted managed investment funds	-	3,568,591	-	3,568,591
Total	<u>1,187,708</u>	<u>257,398,022</u>	<u>-</u>	<u>258,585,730</u>

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
EFM Fixed Interest Fund 9 (continued)				
31 December 2018				
Interest bearing securities	2,095,400	273,172,098	-	275,267,498
Derivative financial assets	848,389	-	-	848,389
Derivative financial liabilities	(532,858)	(568,611)	-	(1,101,469)
Unlisted managed investment funds	-	3,148,461	-	3,148,461
Total	<u>2,410,931</u>	<u>275,751,948</u>	<u>-</u>	<u>278,162,879</u>
EFM Fixed Interest Fund 10				
31 December 2019				
Interest bearing securities	-	140,886,779	-	140,886,779
Derivative financial assets	79,540	3,195,985	-	3,275,525
Derivative financial liabilities	(146,452)	(1,262,977)	-	(1,409,429)
Unlisted managed investment funds	-	4,528,964	-	4,528,964
Total	<u>(66,912)</u>	<u>147,348,751</u>	<u>-</u>	<u>147,281,839</u>
31 December 2018				
Interest bearing securities	-	143,436,692	-	143,436,692
Interest bearing securities on loan	-	5,472,596	-	5,472,596
Derivative financial assets	421,447	629,301	-	1,050,748
Derivative financial liabilities	(161,370)	(3,973,143)	-	(4,134,513)
Total	<u>260,077</u>	<u>145,565,446</u>	<u>-</u>	<u>145,825,523</u>

The Schemes recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year ended 31 December 2019 (financial year ended 31 December 2018: nil).

Valuation techniques

The valuation techniques and inputs used in measuring the fair value of financial assets and liabilities are outlined in Note 1(d) and 1(e).

There were no material changes in valuation techniques during the financial year.

NOTE 9: COMMITMENTS AND CONTINGENCIES

The Schemes had no commitments or contingencies at 31 December 2019 (31 December 2018: nil).

EFM FIXED INTEREST FUNDS I

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 10: EVENTS OCCURRING AFTER THE BALANCE DATE

Since 31 December 2019, there have been no matters or circumstances not otherwise dealt with in the Financial Report that have significantly affected or may significantly affect the Schemes.

NOTE 11: AUTHORISATION OF THE FINANCIAL REPORT

The Financial Report of the Schemes for the financial year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors of AMP Capital Funds Management Limited on 12 March 2020.

EFM FIXED INTEREST FUNDS I

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of AMP Capital Funds Management Limited, the Responsible Entity, I state that for the purpose of section 295(4) of the Corporations Act, in the opinion of the Directors of the Responsible Entity:

EFM Fixed Interest Fund 3
EFM Fixed Interest Fund 6
EFM Fixed Interest Fund 7
EFM Fixed Interest Fund 8
EFM Fixed Interest Fund 9
EFM Fixed Interest Fund 10

- (a) The Financial Statements and notes are in accordance with the Corporations Act, including section 296 (compliance with accounting standards) and section 297 (true and fair view);
- (b) There are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and
- (c) The Financial Statements and notes comply with International Financial Reporting Standards applicable to annual reporting as disclosed in Note 1(a).



Director
12 March 2020, Sydney



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working world**

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Independent Auditor's Report to the unitholders of EFM Fixed Interest Funds I

Opinion

For the following EFM Fixed Interest Funds I (the "Schemes"):

- ▶ EFM Fixed Interest Fund 3
- ▶ EFM Fixed Interest Fund 6
- ▶ EFM Fixed Interest Fund 7
- ▶ EFM Fixed Interest Fund 8
- ▶ EFM Fixed Interest Fund 9
- ▶ EFM Fixed Interest Fund 10

We have audited the financial reports of the Schemes, which comprise the statements of financial position as at 31 December 2019, the statements of comprehensive income, statements of changes in net assets attributable to unitholders and statements of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial reports of the Schemes are in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Schemes' financial position as at 31 December 2019 and of their financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audits 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 Schemes 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 audits of the financial reports in Australia. We have also 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors of AMP Capital Funds Management Limited as the Responsible Entity of the Schemes (the "Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial reports.

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

In connection with our audits of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audits 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 Responsible Entity are responsible for the preparation of the financial reports that give 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 reports that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the directors of the Responsible Entity are responsible for assessing the Schemes' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Schemes 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 reports as a whole are 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 the financial reports.



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Auditor's Responsibilities for the Audit of the Financial Report (cont.)

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

- ▶ Identify and assess the risks of material misstatement of the financial reports, 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 audits 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 Responsible Entity'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 or conditions that may cast significant doubt on the Schemes' 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 reports 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 Schemes to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represent 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.



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Ernst & Young

Mark Jones
Partner
Sydney
12 March 2020