CORDISH DIXON
PRIVATE EQUITY FUND IV

Annual Financial Report

FOR THE PERIOD
2 MARCH 2018
(DATE OF REGISTRATION)
TO **31 MARCH 2019**

ARSN 624 474 531

RESPONSIBLE ENTITY

WALSH & COMPANY
INVESTMENTS LIMITED

Walsh & Company
Investments Limited
(ACN 152 367 649) (AFSL 410 433)

Directory

Cordish Dixon Private Equity Fund IV

(ARSN 624 474 531)

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Directors

Alex MacLachlan
Warwick Keneally
Mike Adams

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Contents

Report to Unitholders

For the period 2 March 2018 (date of registration) to 31 March 2019

Dear Unitholders,

Having launched in March 2018, this report is the inaugural annual report on the performance of the Cordish Dixon Private Equity Fund IV (**Fund**) for the period ended 31 March 2019 (**FY19**). As we mentioned at the time of the half year report, that report covered a period slightly longer than six months, that is from launch date of 13 March to 30 September 2018, so this report also covers a period slightly longer than typical annual reporting periods of twelve months.

The Fund's investment objective is to provide Unitholders with exposure to a portfolio of investments in small and mid-market private investment funds and privately held companies, predominantly in the United States (**US**), and capital growth over a five to ten-year investment horizon.

Prior to summarising the financial performance of the Fund, it is helpful to recap the partly paid structure of your investment in the Fund and the deployment of those funds thus far. As you will recall, the issue price of Units in the Fund was $1.60, to be paid in five instalments of 32 cents. This structure better matches the way in which private equity businesses invest funds, that is, as opportunities arise and are developed. Investors paid 32 cents on application for the Fund Units (March 2018) and during August 2018, investors were asked to pay the second instalment of 32 cents. Accordingly, 64 cents or 40% of the $1.60 issue price for each Fund Unit has been paid.

You will recall that the Fund committed US$115 million to US Select Private Opportunities Fund IV, LP (**LP**), alongside the Cordish family, who invested US$15 million. The LP is the investment vehicle through which the Fund's capital will be invested in the small and mid-market private investment funds and privately-held companies. Accordingly, the LP has commitments of US$130 million.

Of the LP committed funds, 100% has been committed to eleven private equity funds based primarily in the United States. As drawdown requests are made by these US private equity funds, the LP calls on the Fund to provide its committed funds. To the end of March 2019, the LP had received 21 drawdown requests and 2 capital returns for a total net position paid of US$31.8 million (or 22.8% of total commitments). To meet these drawdowns, the LP has called US$40.5 million (or approximately 31.2%) of the Fund's commitment to the LP.

The financial results for FY19 reflect this preliminary investing stage of the Fund. In this first financial year period, the Fund posted a net profit of $5.4 million or 5.0 cents per Unit. At 31 March 2019, the Fund had net assets of $74.9 million representing $0.63 per Unit. Performance of the Fund has been positive over the first year of operation, returning 7.8% since inception, on a net asset value basis.

I would like to thank Unitholders for their continued support as we offer Australian investors the opportunity to gain exposure to small-to-mid-market US-based private investment firms.

Yours faithfully,

Alex MacLachlan
Chairman of Walsh & Company Investments Limited

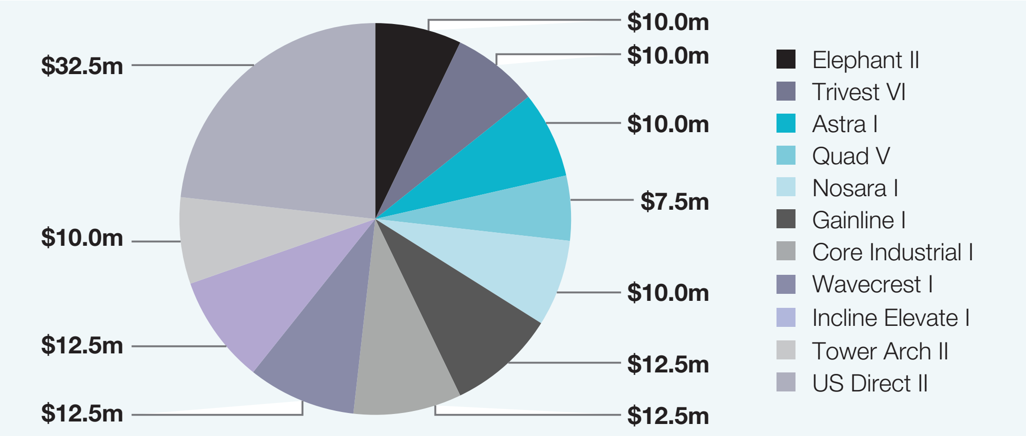
30 May 2019

Manager's Report

For the period 2 March 2018 (date of registration) to 31 March 2019

At year end, the LP had US$140.0 million of total capital commitments to eleven underlying investment partners.

A snapshot of the portfolio by underlying fund exposure as at 31 March 2019 is shown below.



Astra Partners I, L.P. (US$10.0 million commitment by the LP)

Astra Capital Management is comprised of a highly accomplished team of senior executives with decades of collective experience as investors, operators, entrepreneurs, consultants, and regulators in the communications and technology industries. Astra's founders offer a unique blend of skills and experience across key disciplines that are essential to the deployment of their investment strategy. Astra Partners I, L.P. will focus on control investments in the telecommunications space.

CORE Industrial Partners Fund I, L.P. (US$12.5 million commitment by the LP)

CORE Industrial Partners is a deep-value oriented, opportunistic private equity firm investing in manufacturing and industrial technology in North America. CORE brings a well-defined value creation strategy developed and executed through more than 20 years of leading and operating Fortune 500 manufacturing and industrial technology companies.

Elephant Partners II, L.P. (US$10.0 million commitment by the LP)

Elephant Partners are a venture capital firm that was founded in 2015, focused on the enterprise software, consumer internet and mobile markets based in Boston, Massachusetts.

Gainline Equity Fund, L.P. (US$12.5 million commitment by the LP)

Formed in 2015, Gainline makes private equity investments primarily in the lower middle-market as a value-oriented control investor which seeks to acquire fundamentally sound businesses at attractive multiples. Gainline focuses on companies that would benefit from the Firm's expertise and hands-on approach to driving value.

Incline Elevate Fund, L.P. (US$12.5 million commitment by the LP)

Incline Elevate is a lower middle-market private equity fund that will make control-oriented investments in businesses where it is the first institutional capital and where significant value creation opportunities exist. Incline believes in driving value creation through a combination of operational improvements, merges and acquisitions, and upgrades to the management teams of the portfolio companies they invest in.

Nosara Capital Fund I, L.P. (US$10.0 million commitment by the LP)

Nosara capital is an early growth equity firm that invests in digital marketplaces globally. Nosara runs a concentrated strategy and spends considerable time with each company before and after making an investment. The firm does data-driven consulting work before investing to build strong relationships with founders and conducts deeper due diligence over an extended period before making well-researched and high-conviction investments.

Quad Partners V, LP (US$7.5 million commitment by the LP)

Quad Partners was formed over 18 years ago by Lincoln Frank and Daniel Neuwirth to build a team of exceptionally talented people who are passionate about investing in and building education companies. Since its inception in 2000, Quad Partners has established a track record of making control investments in the small-cap market in North America.

Tower Arch Partners II, LP (US$10.0 million commitment by the LP)

Tower Arch is a Salt Lake City, UT based lower middle-market private equity firm focused on partnering with and growing high-quality family and entrepreneur-owned companies. Tower Arch has a strong brand with an extensive network of relationships in select regional markets throughout North America and uses this network to generate high quality deal flow.

Trivest Fund VI, L.P. (US$10.0 million commitment by the LP)

Trivest was formed in 1981 and, over the past 36 years, has become an established brand in the lower middle market. With its headquarters in Coral Gables, Florida, Trivest is one of the oldest private equity firms in the Southeastern U.S. Trivest Fund VI, L.P. was formed to generate significant capital appreciation from control value-oriented private equity investments in Founder/Family-owned businesses in the lower middle market.

Wavecrest Growth Partners I, L.P. (US$12.5 million commitment by the LP)

Wavecrest is a Boston, MA based small cap growth equity firm focused on making both majority and minority investments of $10-$25 million in high-growth, profitable, or breakeven B2B software and tech-enabled services companies.

US Select Direct Private Equity Fund II, L.P. (US$32.5 million commitment by the LP)

US Select Direct II had a very successful year in terms of capital deployment, completing nine investments between February and October. US Select Direct II invested in ResourcePro, Jet Linx, Total Care Rx, Rimini Street, SpinCar, Next Level, Nosara Capital Management, iES, and Shorecal.

ResourcePro is an investment that was completed alongside long-time partner DFW.

Jet Linx is an asset and capital light, dual-sided marketplace operating in the private aviation sector. On the one side, the company manages the third largest fleet of private aircraft in the United States on behalf of aircraft owners, while on the other side, the company operates a membership program whereby individual and corporate members pay a membership fee plus a fixed a la carte hourly charter rate to access the managed fleet.

Total Care Rx is a specialty pharmaceutical business with a focus on filing, managing and delivering medication for chronically ill patients – primarily for organ transplant recipients and residents in long term aged care facilities.

Rimini Street is a global provider of enterprise software support and maintenance.

SpinCar provides software products for digital retailing, merchandising, and digital marketing services for traditional auto dealerships.

Next Level is a designer and provider of branded activewear to the fashion basics segment of the US wholesale wearables promotional products industry. Next Level was founded in 2003 and is headquartered in Los Angeles, California.

Nosara Capital Management is the management company of Nosara Capital. Nosara Capital Management is a London and New York based newly formed growth equity manager that raised its inaugural fund in 2018.

iES was founded in 2005 and is based in New York City, New York. iES is a technology enabled provider of demand response solutions to more than 160 commercial office buildings.

Shorecal Limited is the largest franchisee of Domino's Pizza Restaurants in Northern Ireland and the Republic of Ireland. The company operates 27 stores across the two regions and has a plan for 3-4 new store openings in 2019.

Directors' Report

For the period 2 March 2018 (date of registration) to 31 March 2019

The directors of Walsh & Company Investments Limited, the Responsible Entity of the Cordish Dixon Private Equity Fund IV (**Fund**), present their report together with the annual financial statements of the Fund for the financial period from 2 March 2018 (date of registration) to 31 March 2019.

Directors

The directors of the Responsible Entity at any time during or since the end of the financial year are listed below:

- Alex MacLachlan
- Warwick Keneally
- Mike Adams (appointed 9 July 2018)
- Tristan O'Connell (resigned 9 July 2018)

Directors were in office since the start of the financial year to the date of this report unless otherwise stated.

Information on the directors:

Alex MacLachlan

Alex joined Dixon Advisory in 2008 to lead the then newly formed Funds Management division, which later became Walsh & Company. From funds under management of under $100 million at the time of his start, Alex has grown Walsh & Company Group to over $6 billion of assets under management today, with investments across residential and commercial property, fixed income, private equity, listed equities and renewable energy.

Prior to joining the firm, Alex was an investment banker at UBS AG, where he rose to Head of Energy for Australasia. During his tenure in investment banking, Alex worked on more than $100 billion in mergers and acquisitions and capital markets transactions, advising some of the world's leading companies.

Alex has a Bachelor of Arts from Cornell University and a Masters of Business Administration from The Wharton School, University of Pennsylvania.

Warwick Keneally

Warwick is Head of Finance at Walsh & Company, the Funds Management division of Evans Dixon Limited. Before joining Walsh & Company, Warwick worked in chartered accounting firms specialising in turnaround and restructuring. Warwick started his career with KPMG, working in their Canberra, Sydney and London offices and has undertaken a range of complex restructuring and insolvency engagements across Europe, UK and Australia, for a range of Australian, UK, European and US banks. Warwick has worked with companies and lenders to develop and implement strategic business options, provide advice in relation to continuous disclosure requirements, develop cash forecasting training for national firms, and lectured on cash management.

Warwick has a Bachelor of Economics and Bachelor of Commerce from the Australian National University and is a Member of the Institute of Chartered Accountants in Australia and New Zealand.

Mike Adams

Mike has extensive experience across a broad range of corporate, commercial and private client sectors. His core practice areas involve the provision of advice and transactional expertise in relation to new and existing retail financial products and the regulatory framework within which they operate, as well as debt and equity financing, intellectual property, and film and television media law among others. Mike has previously worked in private practice, public sector and in-house roles in Australia, New Zealand and the United Kingdom, acting across multiple industries for a variety of clients, including high net worth individuals, banks and financial institutions, as well as numerous listed and unlisted corporate entities. Mike was appointed to the Board of Walsh & Company Investments Limited on 9 July 2018.

Mike is also a director with Barnett Law, a Sydney-based financial services law firm, and is admitted as a solicitor of the Supreme Court of NSW. He has a Bachelor of Laws from the University of Otago.

Tristan O'Connell

Tristan is Group Chief Financial Officer and Company Secretary for Evans Dixon Limited and was Director of Walsh & Company Investments Limited until 9 July 2018.

At Evans Dixon, Tristan oversees the finance and accounting function of the firm's group of companies. This incorporates funds management accounting for nineteen funds. He began his association with Dixon Advisory in 2005, joining to spearhead its financial management and growth.

Tristan brought to Evans Dixon more than a decade in corporate financial and management roles within the wholesale markets industry. This included a long tenure at Tullet Prebon, one of the world's leading inter-dealer broker firms that specialise in over-the-counter interest rate, foreign exchange, energy and credit derivatives. Tristan was Financial Controller of the Australian operation and held senior finance roles in their Singapore and London offices.

Tristan has a Bachelor of Commerce from the Australian National University, is a member of CPA Australia and is Fellow of the Financial Services Institute of Australasia.

Principal activities and significant changes in nature of activities

The principal activity of the Fund during the financial period was investing in small-to-mid-market private investment funds and privately held companies with a predominate focus in the US. There were no significant changes in the nature of these activities.

Distributions

There were no distributions paid, recommended or declared during the current financial period.

Review and results of operations

The profit for the Fund after providing for income tax amounted to $5,420,294.

The Fund has invested in a limited partnership, US Select Private Opportunities Fund IV, L.P. (**LP**) which, in turn, invests in small-to-medium-sized private investment funds. Since inception, the LP has committed US$140 million of capital across eleven underlying private investment funds which focus on a range of industries including health care, business services, software businesses, and food and consumer products. For the financial period ended 31 March 2019, these underlying private investment funds made drawdown requests on the LP to fund their investments, management fees and operating expenses. Net drawdown requests made by the underlying private investment funds since inception to the end of the period totalled US$31.8 million.

The Fund has made total capital commitments of US$115 million, representing an interest of 88.4% in the LP. The Fund's proportionate share of the total capital called as at 31 March 2019 was US$35.8 million (or $50.5 million).

Total comprehensive income for the financial period was $5,420,294. The key components of this result included a $4,554,016 fair value movement gain incurred on the Fund's investment in the LP and a $912,462 foreign exchange movement gain during the period. As at 31 March 2019, the Fund had net assets of $74,862,499, representing $0.63 per unit. To date, the Responsible Entity has called $0.64 per partly paid unit from the Australian investors.

The Fund had a basic and diluted earnings per unit of 5.04 cents for the period ended 31 March 2019.

Events subsequent to the reporting period

No matter or circumstance has arisen since 31 March 2019 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

Future developments and expected results of operations

The Fund has committed capital to the LP to fund eleven underlying private investment funds and is at a relatively early stage of investing and expects to complete its investments as the committed capital is called by the LP. The objective of the Fund is to achieve capital growth over a 5 to 10 years investment horizon from its exposure to a portfolio of investments in small and mid-market private investment funds and privately held companies predominately focused in the US.

Environmental regulation

The Fund is not subject to any particular and significant environmental regulations under a law of the Commonwealth or a State or Territory.

Other relevant information

The following lists other relevant information required under the *Corporations Act 2001*:

- details of fees paid to the Responsible Entity during the financial period – refer to note 14 to the financial statements
- the Responsible Entity did not hold any interests in the Fund at the end of the financial period
- details of issued interests in the Fund during the financial period – refer to note 5 to the financial statements

Options

No options were granted over issued or unissued units in the Fund during, or since, the end of the period.

Indemnity and insurance

Under the Fund's constitution, the Responsible Entity, including its officers and employees, is indemnified out of the Fund's assets for any loss, damage expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

Insurance premiums have been paid, during or since the end of the financial period, for all of the directors of the Responsible Entity of the Fund. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for the auditor of the Fund.

Non-audit services

Details of the amounts paid or payable to the auditor, Deloitte Touche Tohmatsu, for non-audit services are outlined in note 15 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.*

The directors are of the opinion that the services as disclosed in note 15 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services are reviewed and approved prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES110: Code of Ethics for Professional Accountants set by the Accounting Professionals Ethical Standards Board.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

On behalf of the directors

Alex MacLachlan
Director

30 May 2019

Auditor’s Independence Declaration

Deloitte.

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The Board of Directors
Walsh & Company Investments Limited
as Responsible Entity for:
Cordish Dixon Private Equity Fund IV
Level 15
100 Pacific Highway
NORTH SYDNEY NSW 2060

30 May 2019

Dear Board Members

Cordish Dixon Private Equity Fund IV

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of Cordish Dixon Private Equity Fund IV.

As lead audit partner for the audit of the financial statements of Cordish Dixon Private Equity Fund IV for the financial year ended 31 March 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Weng W Ching
Partner
Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income

For the period 2 March 2018 (date of registration) to 31 March 2019

	NOTE	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019 $
Investment income		
Interest income		**476,091**
Foreign exchange gain		**912,462**
Fair value movements of equity investments	9	**4,554,016**
Total investment income		**5,942,569**
Expenses		
Management and administration fees	14	**(259,253)**
Audit and advisory fees		**(46,324)**
Custody fees		**(12,563)**
Registry fees		**(20,866)**
Legal and professional fees		**(177,200)**
Other expenses		**(6,069)**
Total expenses		**(522,275)**
Profit before income tax expense		**5,420,294**
Income tax expense		**–**
Profit after income tax expense for the period		**5,420,294**
Other comprehensive income for the period, net of tax		**–**
Total comprehensive income for the period		**5,420,294**

	NOTE	CENTS
Basic earnings per unit	4	**5.04**
Diluted earnings per unit	4	**5.04**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 March 2019

	NOTE	2019 $
Assets		
Current assets		
Cash and cash equivalents	6	**21,676,659**
Receivables	8	**52,543**
Total current assets		**21,729,202**
Non-current assets		
Other financial assets	9	**53,248,681**
Total non-current assets		**53,248,681**
Total assets		**74,977,883**
Liabilities		
Current liabilities		
Trade and other payables	10	**115,384**
Total current liabilities		**115,384**
Total liabilities		**115,384**
Net assets		**74,862,499**
Equity		
Unit capital	5	**69,442,205**
Retained earnings		**5,420,294**
Total equity		**74,862,499**

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

Statement of Changes in Equity

For the period 2 March 2018 (date of registration) to 31 March 2019

	ISSUED CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
	$	$	$
Balance at 2 March 2018	–	–	–
Profit after income tax expense for the period	–	5,420,294	5,420,294
Other comprehensive income for the period, net of tax	–	–	–
Total comprehensive income for the period	–	5,420,294	5,420,294
Transactions with unitholders in their capacity as unitholders:			
Issued capital (note 5)	72,367,464	–	72,367,464
Issue costs (note 5)	(2,925,259)	–	(2,925,259)
Balance at 31 March 2019	**69,442,205**	**5,420,294**	**74,862,499**

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

Statement of Cash Flows

For the period 2 March 2018 (date of registration) to 31 March 2019

	NOTE	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019 $
Cash flows from operating activities		
Interest income received		**431,046**
Net payments to suppliers		**(414,389)**
Net cash from operating activities	7	**16,657**
Cash flows from investing activities		
Payment for investments		**(48,726,465)**
Net cash used in investing activities		**(48,726,465)**
Cash flows from financing activities		
Proceeds from issue of units	5	**72,367,464**
Payment of issue costs	5	**(2,925,259)**
Net cash from financing activities		**69,442,205**
Net increase in cash and cash equivalents		**20,732,397**
Cash and cash equivalents at the beginning of the financial period		**–**
Effects of exchange rate changes on cash and cash equivalents		**944,262**
Cash and cash equivalents at the end of the financial period	6	**21,676,659**

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

Notes to the Financial Statements

For the period 2 March 2018 (date of registration) to 31 March 2019

1. General information

Cordish Dixon Private Equity Fund IV (**Fund**) is a Managed Investment Scheme registered and domiciled in Australia. The principal activities of the Fund are to invest in small-to-mid-market private investment opportunities in the United States of America (**US**), through its capacity as a Limited Partner of the US Select Private Opportunities Fund IV, L.P. (**LP**) registered in the Cayman Islands.

The Fund was registered on 2 March 2018. Accordingly, the financial statements cover the financial period from the date of the Fund's registration to 31 March 2019.

Basis of preparation

The financial statements have been prepared on an accrual basis and are based on historical cost with the exception of financial assets, which are measured at fair value. All amounts are presented in Australian dollars unless otherwise noted.

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001.* Compliance with Australian Accounting Standards ensures the financial statements and notes to the financial statements of the Fund comply with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**).

The financial statements were authorised for issue by the directors on 30 May 2019. For the purposes of preparing the financial statements, the Fund is a for-profit entity.

Adoption of new and revised Accounting Standards

The Fund has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current period.

New and revised Standards and amendments thereof and Interpretations effective for the current period that are relevant to the Fund include:

- AASB 9 'Financial Instruments' (issued December 2014), and the relevant amending standards
- AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB 15' and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15'
- IFRIC Interpretation 22 : Foreign Currency Transactions and Advance Consideration

Accounting Standards and Interpretations issued but not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below which are applicable to the Fund were in issue, but not yet effective. The potential impact of the new or revised Standards and Interpretations has not yet been determined, but is not expected to be material.

AASB Interpretation 23 'Uncertainty Over Income Tax Treatments', AASB 2017- 4 'Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments'

This interpretation is applicable to annual reporting periods beginning on or after 1 April 2019. The adoption of this standard from 31 March 2020 is not expected to have a material impact on the Fund.

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Annual Improvements to IFRS Standards 2015–2017 Cycle

This interpretation is applicable to annual reporting periods beginning on or after 1 April 2019. The adoption of this interpretation from 31 March 2020 is not expected to have a material impact on the Fund.

Amendments to References to the Conceptual Framework in IFRS Standards

This standard is applicable to annual reporting periods beginning on or after 1 April 2020. The adoption of this standard from 31 March 2021 is yet to be determined.

2. Summary of significant accounting policies

The following is a summary of the material accounting policies adopted by the Fund in the preparation and presentation of the financial report.

a) Foreign currencies

The functional and presentation currency of the Fund is Australian dollars. This is based on an assessment that the primary economic environment in which the Fund operates is Australia.

Transactions in foreign currencies are initially recorded in Australian dollars by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies that are outstanding at the reporting date are retranslated at the rate of exchange ruling at the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences arising on translation are recognised in profit or loss in the period in which they arise.

b) Financial instruments

Financial Instruments, incorporating financial assets and financial liabilities, are recognised when the Fund becomes a party to the contractual provisions of the instrument.

The Fund adopted “AASB 9 – Financial Instruments (December 2014)”. AASB 9 includes requirements for the classification and measurement of financial assets and financial liabilities.

(i) Financial assets

When financial assets are recognised initially, they are measured at fair value plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs.

Financial assets are subsequently measured at amortised cost using the effective interest rate method only if the following conditions are met, otherwise they are measured at fair value:

1. Where a financial asset is held within a business model for the objective to collect contractual cash flows; and
2. Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The interest held by the Fund in the Limited Partnership will not meet the conditions to satisfy subsequent measurement at amortised cost, and will therefore be measured on an ongoing basis at fair value.

Gains and losses on all other financial assets at fair value are recognised in profit or loss.

(ii) Financial liabilities

Financial liabilities are classified as derivative and non-derivative instruments as appropriate. The Fund determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value. Non derivative instruments are subsequently measured at amortised cost using the effective interest rate method.

(iii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(iv) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in the principal (or most advantageous) market at balance date under current market conditions. Fair value is determined based on the bid price for all quoted investments in an active market. Valuation techniques are applied to determine the fair value for all unlisted securities and securities in markets that are not active. The interest in the Limited Partnership held by the Fund is valued using a 'proportionate' value method based on the proportion of the total net asset value (determined on a fair value basis) of the limited partnership in which the Fund has an interest at each balance date. The fair value will be net of distribution receipts from the Limited Partnership.

c) Interest in Limited Partnership

The Fund has entered into a partnership arrangement with Cordish Private Ventures with a primary strategy of investing in US small-to-mid-market private investment funds. The partnership has been structured through a limited partnership vehicle – US Select Private Opportunities Fund IV, L.P. (**LP**), in which the Fund had a 88.4% interest. The interest held by the Fund is regarded as a financial asset which is recorded at fair value (refer to note 2(b)(iv) for the fair value valuation basis adopted in respect of the partnership interest held). Subsequent changes in fair value are recognised in profit or loss.

Distributions of capital or income received from the LP are recorded against the investment account, reflecting the fact that such amounts would previously have been included in the investment account either through capital contributions made or through fair value movements recognised in respect of unrealised capital or operating profits relating to the underlying investments.

d) Impairment of assets

The Fund recognises a loss allowance for expected credit losses (**ECL**) on financial assets that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Fund recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significant since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

No impairment assessment is performed in respect of the Interest in the Limited Partnership, where fair value changes are recorded in profit or loss.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f) Receivables

Receivables are financial assets with a contractual right to receive fixed or determinable payments that are not quoted in an active market. Receivables are recorded at amounts due less any loss allowance for expected credit losses.

g) Taxes

(i) Income tax

Under current Australian income tax laws, the Fund is not liable to pay income tax provided it is not a public trading trust and its distributable income for each income year is fully distributed to unitholders, by way of cash or reinvestment.

The Fund may be liable to pay income tax in the US dependent on the structure of private investment funds in which the Limited Partnership (**LP**) invests and in turn the structure of the underlying investments made by the private investment funds. Rates of tax will vary dependent on the source of income derived.

A deferred tax liability is recognised (at the likely rate of tax in the US) based on the difference between the fair value and tax cost base of certain underlying investments in respect of which an economic interest is held by the Fund and on which income tax will likely be payable in the US on realisation of such investments.

(ii) Goods and Services Tax (GST)

Cash flows are presented in the Statement of Cashflows on a gross basis. Revenues, expenses and assets are recognised net of the amount of GST, except to the extent the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the unrecoverable GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Where fees are stated to be exclusive of GST and GST is payable on any fee, the fee will be increased by an amount equal to the GST payable. The Fund is expected to qualify for reduced input tax credits at a minimum rate of 55%.

h) Interest income

Interest income is recognised in profit or loss using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

i) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

j) Trade and other payables

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods or services. The balance is unsecured and is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

k) Earnings per unit

Basic earnings per unit is calculated by dividing the profit or loss attributable to unitholders by the weighted average number of units outstanding during the financial period. Diluted earnings per unit is the same as there are no potential dilutive ordinary units.

l) Unit capital

(i) Ordinary units

Ordinary units are classified as equity. Issued capital is recognised at the fair value of the consideration received by the Fund. Incremental costs directly attributable to the issue of ordinary units are recognised as a deduction from equity.

(ii) Distributions to unitholders

Distributions payable are recognised in the reporting period in which the distributions are declared, determined, or publicly recommended by the board of the Responsible Entity on or before the end of the financial period, but not distributed at balance date.

m) Critical accounting estimates and judgements

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies which are subject to significant accounting estimates and judgements include fair value determination of the interest held by the Fund in the Limited Partnership (refer to note 9 (iv)) and selection of Australian dollars as the functional currency of the Fund (refer to note 2 (a)).

3. Operating segment

The Fund operates a single reportable segment, that being the business of operating in small-to-mid-market private investments in the United States through its interest in a Limited Partnership.

The Responsible Entity of the Fund is the Chief Operating Decision Maker (**CODM**) for the purpose of resource allocation and assessing performance of the operating segment.

Revenue, profit or loss, assets, liabilities and other financial information reported and monitored by the CODM of the single identified segment are reflected in the financial statements and notes to the financial statements of the Fund.

4. Earnings per unit

	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019
	$
Profit after income tax	**5,420,294**

	NUMBER
Weighted average number of ordinary units used in calculating basic earnings per unit	**107,488,848**
Weighted average number of ordinary units used in calculating diluted earnings per unit	**107,488,848**

	CENTS
Basic earnings per unit	**5.04**
Diluted earnings per unit	**5.04**

5. Equity – unit capital

	2019	
	UNITS	$
Ordinary units – partly paid	**117,939,153**	**69,442,205**

Movements in ordinary unit capital

	DATE	UNITS	$
Balance	2 March 2018	–	–
Partly paid ordinary units	6 April 2018	117,939,153	72,367,464
Issue costs		–	(2,925,259)
Balance	**31 March 2019**	**117,939,153**	**69,442,205**

Ordinary units – partly paid

Ordinary units are issued on a partly paid basis, up to a fully paid amount of $1.60 per unit. The partly paid ordinary units are called on in accordance with the Constitution and as required by the Responsible Entity of the Fund. Partly paid ordinary units carry the same rights and entitlements on a fractional basis, as fully paid ordinary units, with such fractions being the equivalent to the proportion which the amount paid is of the fully paid amount of the units.

117,939,153 ordinary units were issued on 6 April 2018. The first instalment of $0.32 per partly paid unit was called on 6 April 2018. The second instalment of $0.32 per partly paid unit was called on 6 August 2018.

Capital management

The Fund manages its capital to ensure it will be able to continue as a going concern while maximising the return to unitholders. The capital structure of the Fund consists of issued capital amounting to $69,442,205. The Fund is not subject to any externally imposed capital requirements.

6. Current assets – cash and cash equivalents

	2019
	$
Cash at bank	**21,676,659**

The exposure to interest rate risk and a sensitivity analysis is disclosed in note 12 to the financial statements.

7. Reconciliation of profit after income tax to net cash from operating activities

	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019
	$
Profit after income tax expense for the period	**5,420,294**
Adjustments for:	
Fair value movements of equity investments	**(4,554,016)**
Net foreign exchange gain	**(912,462)**
Change in operating assets and liabilities:	
– (Increase) in receivables	**(52,543)**
– Increase in payables	**115,384**
Net cash from operating activities	**16,657**

8. Current assets – receivables

	2019
	$
Interest receivable	**45,045**
GST receivable	**7,498**
	52,543

There are no balances included in receivables that contain assets that are impaired. All receivables are non interest bearing and are generally receivable on 30 day terms. No receivable amounts are overdue. The receivables are recorded at carrying amounts that are reasonable approximations of fair value.

9. Non-current assets – other financial assets

(i) Equity investment constituting interest in Limited Partnership (LP) – at fair value:

	2019
	$
US Select Private Opportunities Fund IV, LP (LP)	**53,248,681**

(ii) Reconciliation

	2019
	$
Balance at 2 March 2018	
Capital invested – at cost	**48,694,665**
Movement in fair value through profit or loss*	**4,554,016**
Balance at the end of the period	**53,248,681**

* Included in the 'movement in fair value' amount of $4,554,016 is an unrealised foreign exchange translation gain component of $1,869,089. This amount is also net of the Fund's 88.4% share of management fees paid by the LP to the General Partner of the LP, totalling $311,386 (refer to note 14).

(iii) Fund's interest in assets and liabilities of LP

The 88.4% economic interest held by the Fund is not represented by voting rights or other power vested in the Fund to make decisions relating to the assets and liabilities of the LP. As is common practice with Limited Partnership arrangements, the General Partner of the LP is considered to be the party who holds the existing rights to direct the relevant activities of the LP, including the acquisition and disposal of investments.

The Fund's 88.4% interest in US Select Private Opportunities Fund IV, L.P. at 31 March 2019 is represented by its proportionate interest in the LP's assets and liabilities as follows:

	2019
	$
Cash	**9,613,112**
Investment in US private investment funds recorded at fair value:	
Astra Partners I, LP	**2,318,593**
CORE Industrial Partners Fund I, LP	**1,410,318**
Elephant Partners II, LP	**3,589,965**
Gainline Equity Fund, LP	**5,314,398**
Nosara Capital Fund I, LP	**3,126,358**
Quad Partners V, LP	**2,567,923**
Trivest Fund VI, LP	**427,790**
US Select Direct Private Equity II, LP	**21,816,741**
Wavecrest Growth Partners I, LP	**2,697,284**
Prepaid Investment management fees	**355,292**
Other assets	**10,907**
Net assets*	**53,248,681**

* Included in net assets of $53,248,681 are investments in US private investment funds of $43,269,370.

(iv) Valuation

Valuation technique adopted
The fair value of the Fund's interest in the LP is determined using a 'proportionate' value method based on the Fund's 88.4% interest held in the total net asset value of the LP.

The LP holds investments predominately in US private investment funds, and it (the LP) adopts a similar fair value measurement basis, based on the proportionate interest it holds in the most recent reported total net asset values of the respective investment funds. There is up to a three month difference between the Fund's reporting date and the date of the most recent reported net assets of the investment funds. The investment funds themselves invest typically in US unlisted equity investments, the fair values of which are determined periodically based on market valuation techniques, which may involve methods and unobservable inputs such as price/earnings analysis or discounted cash flow techniques.

The fair value of the Fund's interest in the LP is therefore ultimately based on the market valuation techniques adopted by the investment funds in the measurement of their underlying unlisted equity investments. The fair value is also subject to foreign exchange translation impacts arising from translating the USD denominated interest in the LP to AUD at each balance date. Refer to note 12(a) for Market Risk sensitivity analysis.

Investment risks
As noted above, the LP has invested in underlying private investment funds in the US market who have in turn invested in a portfolio of private equity investments. Because of the absence of any liquid trading market for these types of investments, it may take longer to liquidate these investments than would be the case for marketable securities and accordingly the value obtained on realisation may differ materially to the estimated fair values at balance date. The fair values assigned by the investment funds are based on a range of factors, including but not limited to the price at which the investments were acquired, the nature of the investments, private and public company comparables used to determine enterprise value, and other techniques using unobservable market inputs such as price/earnings multiples and discounted cash flow models. As such, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material. These differences would directly impact the value of the interest held by the LP in the underlying investment funds and consequently the value of the interest held by the Fund in the LP. In addition, further investment valuation uncertainty arises as a result of a time lag of up to three months between the Fund's reporting date and the date of the most recent reported net assets of the private investment funds. Estimation uncertainty also arises in relation to likely US tax obligations the Fund will incur in connection with realisation of recorded fair value movements.

(v) Capital commitments

As at 31 March 2019, the Fund has made capital commitments totalling US$115.0 million to the LP, of which US$35.8 million has been called at balance date.

As at 31 March 2019, the Fund has uncalled capital commitments of US$79.2 million (or $111.6 million) outstanding to the LP. The capital commitments can be called at any time in the future.

The uncalled capital commitments referred to above were converted at the period end exchange rate of 0.7096.

10. Current liabilities – trade and other payables

	2019
	$
Trade creditors	**35,059**
Accrued liabilities	**80,325**
	115,384

Refer to note 12 for further information on financial instruments.

The average credit period for trade creditors is generally 30 days. No interest is charged on trade creditors from the date of the invoice. The Fund has risk management policies in place to ensure invoices are paid within credit terms.

11. Equity – distributions

There were no distributions paid, recommended or declared during the current financial period.

12. Financial instruments

Financial risk management objectives

The Fund is exposed to the following risks from its use of financial instruments:

- market risk (foreign exchange risk, market price risk and interest rate risk)
- credit risk
- liquidity risk.

The Responsible Entity has overall responsibility for the establishment and oversight of the risk management framework, including developing and monitoring risk management policies.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices. The Fund is primarily exposed to market risks arising from fluctuations in market price risk, foreign currency and interest rates. Refer to note 9(iv) for further details of risks relating to equity prices.

Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency. Foreign exchange rate movements will impact on the Australian dollar value of the Fund's financial assets and liabilities denominated in a currency that is not the Fund's functional currency.

The Fund is exposed to USD foreign exchange risk through its USD denominated cash balances, its investment activities and income derived from these activities.

The table below details the carrying amounts of the Fund's foreign exchange risk as at the end of the reporting period. This represents the Australian dollar exposure, converted at an exchange rate of 0.7096.

The carrying amount of the Fund's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	ASSETS	LIABILITIES
	2019	2019
	$	$
Cash and cash equivalents	**19,829,500**	–
Receivables	**42,515**	–
Financial assets (equity investments)	**53,248,681**	–
	73,120,696	–

Sensitivity analysis
The effect of the foreign exchange risk relating to equity investments (investment in Limited Partnership) is recorded in profit or loss as part of the overall fair value movement in the investment (refer to note 9(ii)). The effect of foreign exchange risk relating to cash and cash equivalents is recorded in profit or loss as a foreign exchange gain or loss.

The Fund considers a 10% movement in the AUD against USD as at 31 March 2019 to be a reasonable possibility at the end of the reporting period. The impact of the strengthening and weakening of AUD against USD in profit or loss and equity is shown by the amounts below as it relates to cash and cash equivalents and equity investments. This analysis assumes that all other variables remain constant.

	AUD STRENGTHENED			AUD WEAKENED		
2019	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY
Cash and cash equivalents	10%	(1,802,682)	(1,802,682)	(10%)	2,203,278	2,203,278
Receivables	10%	(3,865)	(3,865)	(10%)	4,724	4,724
Equity investments	10%	(4,840,789)	(4,840,789)	(10%)	5,916,520	5,916,520
		(6,647,336)	**(6,647,336)**		**8,124,522**	**8,124,522**

Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to individual investments or factors affecting all instruments traded in the market.

Sensitivity analysis

The Fund considers a 10% increase or decrease to be a reasonably possible change in market prices at the reporting date. The sensitivity analysis below reflects the Fund's proportionate exposure to market price risk of the underlying equity investments of the private investment partnership excluding any foreign exchange impact. The impact of a 10% movement in market prices (excluding foreign exchange impact) on profit or loss and equity is shown in the table below:

	AVERAGE PRICE INCREASE			AVERAGE PRICE DECREASE		
2019	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY
Equity investment (refer Note 9(iii))	**10%**	**4,326,937**	**4,326,937**	**(10%)**	**(4,326,937)**	**(4,326,937)**

Interest rate risk

The Fund is exposed to interest rate risk on its variable rate bank deposits. The Fund currently does not hedge against this exposure.

Sensitivity analysis

The Fund considers a 50 basis point increase or decrease to be a reasonably possible change in interest rates. The impact of a 50 basis point movement in interest rates on profit or loss and equity is shown in the table below.

	BASIS POINTS INCREASE			BASIS POINTS DECREASE		
2019	BASIS POINTS CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY	BASIS POINTS CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY
Variable rate bank deposits	**50**	**108,383**	**108,383**	**(50)**	**(108,383)**	**(108,383)**

b) Credit risk

Credit risk is the risk that contracting parties to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund manages credit risk by ensuring deposits are made with reputable financial institutions. The majority of funds at period end were deposited with Macquarie Bank Limited (Australia).

The carrying amount of financial assets that represents the maximum credit risk exposure at the end of reporting period are detailed below:

	2019
	$
Summary of exposure	
Cash and cash equivalents	**21,676,659**
GST receivable	**7,498**
Interest receivable	**45,045**
	21,729,202

c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's liquidity primarily comprises cash at bank totaling $21,676,659 at 31 March 2019. In accordance with the Constitution, the Responsible Entity can call on the unpaid amount of partly paid units as required. At 31 March 2019, $0.96 per partly paid unit is yet to be called, amounting to $113,221,587. Together, these are held to cover the Fund's day-to-day running costs and expenditures and to fund its capital commitments to the LP which total $111,574,235 at balance date.

The following is the contractual maturity of financial liabilities and capital commitments. The table has been drawn based on the undiscounted cash flows of liabilities based on the earliest date on which the Fund can be required to settle the liability.

	LESS THAN 12 MONTHS	AT CALL	REMAINING CONTRACTUAL MATURITIES
2019	$	$	$
Non-derivatives			
Non-interest bearing			
Trade and other payables	115,384	–	115,384
Capital commitments*	–	111,574,235	111,574,235
Total non-derivatives	**115,384**	**111,574,235**	**111,689,619**

* LP commitments may be called at any time in the future up until the first to occur of the date the aggregate commitments have been invested, the fifth anniversary date after the first call or certain other specified termination events.

13. Fair value measurement

Fair value

The fair value of financial assets and financial liabilities approximate their carrying values at the reporting date.

The table below analyses recurring fair value measurements for financial assets and financial liabilities. The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical financial assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
2019	$	$	$	$
Financial assets carried at fair value				
Other financial assets – equity investment constituting interest in US Select Private Opportunities Fund IV, LP	–	–	53,248,681	53,248,681
Total assets	**–**	**–**	**53,248,681**	**53,248,681**

The Fund recognises 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 levels during the financial period.

Details of the determination of level 3 fair value measurements including the valuation technique adopted and the key underlying unobservable inputs used are set out in note 9.

The Fund has established a control framework with respect to measurement and assessment of fair values. This framework includes a sub-investment committee that has overall responsibility for analysing the performance and fair value movements of underlying US investment fund holdings during each reporting period.

14. Related party disclosures

Key management personnel

Alex MacLachlan, Warwick Keneally and Mike Adams are directors of the Responsible Entity, Walsh & Company Investments Limited and are deemed to be key management personnel. Tristan O'Connell resigned as a director of the Responsible Entity effective 9 July 2018.

The key management personnel do not receive compensation from the Fund or from the Responsible Entity directly for their management function performed for the Fund.

As at reporting date, details of directors who hold units for their own benefit or who have an interest in holdings through a third party and the total number of such units held are listed as follows:

	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019
Alex MacLachlan	**62,500**
Warwick Keneally	**9,375**
	71,875

Related party investments in the scheme

The Responsible Entity or its associates does not hold any investments in the scheme.

Management fees

The Responsible Entity's duties include establishing the Fund's compliance plan and procedures and monitoring against regulatory and legislative requirements, the issuance of disclosure documents, the appointment and monitoring of external service providers to the Fund and overall administration of the Fund.

For these services, the Responsible Entity charged management fees of 0.33% per annum (exclusive of GST) on the gross asset value of the Fund, plus uncalled amounts on the Units. This is comprised of the Responsible Entity Fee of 0.08% per annum and Administration Fee 0.25% per annum. However, the Responsible Entity has agreed to charge 0.33% per annum (exclusive of GST) on the gross asset value of the Fund for the first 12 months. Following this 12 month period, the Responsible Entity fee will revert back to 0.33% of the gross asset value of the Fund, plus uncalled amounts on the Units. Management fees are paid to the Responsible Entity monthly in arrears.

The total management fees paid to the Responsible Entity for the financial period ended 31 March 2019 was $190,074, exclusive of GST. There were outstanding management fees of $49,084, exclusive of GST, as at 31 March 2019.

Fund administration fee

Australian Fund Accounting Services Pty Limited, a wholly-owned subsidiary of Evans Dixon Limited, the parent of the Responsible Entity, provides fund administration services to the Fund under an agreement with the Responsible Entity. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation. Total fund administration fee paid or payable for the financial period ended 31 March 2019 were $60,000, exclusive of GST.

Investment manager fees

US Select Private Opportunities Fund IV, L.P. (**LP**), in which the Fund holds an 88.4% interest, is required to pay its Investment Manager, US Select Private Opportunities Fund IV, G.P. (**GP**), being an entity associated with the Responsible Entity, for acting on behalf of the limited partnership to acquire, manage and transact on partnership interests within the scope of the limited partnership agreement, a fee equivalent to 1.0% per annum of the total funds committed by the partners to the LP. However, the GP has agreed to charge 1.0% of the capital called by the LP for the first 12 months. Following this 12 month period, the Investment Manager fee will revert back to 1.0% of the total capital committed. The fee is payable quarterly in advance from the funds of the LP. The total fee paid or payable during the financial period ended to 31 March 2019 amounted to $352,247 (US$256,923). The Fund's 88.4% interest equates to $311,386. In addition, prepaid expenses to the GP totalling $355,292 remain outstanding at balance date. This fee is recorded in the books of the LP.

US Select Direct Private Equity II, LP

At balance date, the Fund's share of the LP's investment in US Select Direct Private Equity II, L.P. was $21,816,741 (US$15,481,159). The General Partner of this investment is associated with the Responsible Entity of the Fund.

Issue costs

The Responsible Entity is entitled to receive a structuring fee of 1.5% (exclusive of GST) on the gross proceeds raised under the Product Disclosure Statement dated 13 March 2018. Total issue costs received by the Responsible Entity for the period ended 31 March 2019 was $2,830,540 exclusive of GST.

Custodial services

Effective 31 January 2019, the Responsible Entity changed the Fund's custodian and entered into a custody arrangement with Walsh & Company Investments Limited in its personal capacity (**Custodian**) to provide custodial services to the Fund. The services are provided on commercial terms. The Custodian receives fees equivalent to the greater of 0.02% per annum of the gross asset value of the Fund, or $15,000 indexed to CPI annually. The fees are payable quarterly in arrears. During the period, there were no fees paid to the Custodian.

15. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Fund:

	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019
	$
Audit services – Deloitte Touche Tohmatsu	
Audit or review of the financial statements	**45,000**
Other services – Deloitte Touche Tohmatsu	
Taxation services	**412**
	45,412

16. Capital commitments

Other than the capital commitments disclosed in note 9(v) to the financial statements, the Fund does not have any other capital commitments outstanding for the financial period ended 31 March 2019.

17. Contingent liabilities

The directors of the Responsible Entity are not aware of any potential liabilities or claims against the Fund as at balance date.

18. Events after the reporting period

No matter or circumstance has arisen since 31 March 2019 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

Directors’ Declaration

For the year ended 31 March 2019

The directors of the Responsible Entity declare that, in the directors’ opinion:

- the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and the Corporations Regulations 2001;
- the attached financial statements are in compliance with International Financial Reporting Standards as stated in the notes to the financial statements;
- the attached financial statements and notes give a true and fair view of the Fund’s financial position as at 31 March 2019 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001.*

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the *Corporations Act 2001.*

On behalf of the directors of the Responsible Entity

Alex MacLachlan
Director

30 May 2019

Independent Auditor's Report to the Unitholders of Cordish Dixon Private Equity Fund IV

Deloitte.

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Independent Auditor's Report to the Unitholders of Cordish Dixon Private Equity Fund IV

Opinion

We have audited the financial report of Cordish Dixon Private Equity Fund IV (the "Fund") which comprises the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Fund's financial position as at 31 March 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Walsh & Co Investments Limited (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

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

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Fair Value of Investment in Limited Partnership (LP) As at 31 March 2019 the Fund's fair value of its investment in the LP is $53,248,681 as disclosed in Note 9. Significant estimation uncertainty is involved in the determination of the fair value of the investment in the LP due to the fact that: • the underlying investments held by the US investment funds in which the LP has an interest are generally illiquid in nature, and their valuation is based on unobservable inputs which are subject to significant estimation and judgement by management of the US investment funds; and • there may be a time lag of up to three months between the Fund's reporting date and the date of the most recent reported net assets of the US investment funds.	Our procedures included, but were not limited to: • Obtaining an understanding with assistance of our valuation specialists, the key processes adopted by management to determine the fair value of the investment in the Limited Partnership (LP) at balance date; • Obtaining the most recent audited financial statements of the underlying investment funds (as at 31 December 2018), reviewing the nature of the underlying investments held and the recorded fair values of the investments including the accounting basis adopted for such valuations; • Assessing the independence, competence and objectivity of the auditing firms of the underlying investment funds and reviewing the content of their audit opinions; and • Obtaining from management the most recent unaudited management financial information of the underlying investment funds (where available as at 31 March 2019) and evaluating the quantum and reasonableness of any material fair value movements from the date of the latest audit financial information for the investment funds. We also assessed the appropriateness of the disclosures in Notes 2(c), 2(m) and Note 9 to the financial statements.

Other Information

The directors of the Responsible Entity (the "Directors") are responsible for the other information. The other information comprises the information included in the Fund's annual report for the year ended 31 March 2019, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte Touche Tohmatsu

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Weng W Ching
Partner
Chartered Accountants
Sydney, 30 May 2019