



**CORDISH  
DIXON**  
PRIVATE EQUITY FUND IV

# Half-Year Financial Report

FOR THE HALF-YEAR ENDED  
**30 SEPTEMBER 2019**

**ARSN 624 474 531**

**RESPONSIBLE ENTITY**

**WALSH & COMPANY**

INVESTMENTS LIMITED

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

**Cordish Dixon Private Equity Fund IV**

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**30 September 2019**

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**Cordish Dixon Private Equity Fund IV**  
**Report to unitholders**  
**30 September 2019**

Dear Unitholders,

We present to you this report on the performance of the Cordish Dixon Private Equity Fund IV (**Fund**) for the six-month period ended 30 September 2019 (**H1 FY20**).

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 and during August 2018, investors were asked to pay the second 32 cents instalment. Accordingly, 64 cents or 40% of the \$1.60 issue price for each Fund Unit has been paid. On 1 November 2019, the Fund made its third capital call of \$0.32 per partly paid unit.

The Fund performed well this half year, posting a net profit of \$3.2 million or 2.71 cents per Unit in H1 FY20. The key component of this result was a \$4.1 million fair value movement gain on the Fund's investment in the LP. As an investment entity, the Fund must recognise changes in the LP's value. At 30 September 2019, the Fund had net assets of \$78.1 million representing \$0.66 per Unit.

For the six-month period ended 30 September 2019, based on the post-tax net asset value, the Fund generated total returns of 6.3%. On the same basis, the Fund has generated total returns of 9.7% p.a. since inception.

The Fund's investment objectives are to provide Unitholders with exposure to a portfolio of investments in small-to-mid-market private investment funds and privately held companies, predominantly focused in the United States (**US**), and capital growth over a five to ten-year investment horizon. Through the Fund's investment vehicle, US Select Private Opportunities Fund IV, L.P. (**LP**), the Fund is committed across 11 highly attractive US private investment funds all focused on small-to-mid-market private investment opportunities, for a total consideration of US\$140 million. The 11 funds are currently still in the investment stage with an aggregate investment in 38 underlying companies.

At 30 September 2019, US\$50.6 million (or 38.9% of total funds committed) had been called by the LP. The Fund's proportionate share of this is approximately US\$44.7 million (an 88.4% share).

During the period, the LP received 22 drawdown requests and three capital returns for a total net consideration of US\$16.1 million. At 30 September 2019, net drawdown requests from underlying investments were approximately US\$47.9 million (or 34.2% of total commitments).

**Underlying portfolio update**

**Wavecrest Growth Partners I, L.P. (Wavecrest)** invested in BigTime Software. BigTime Software is a leading provider of cloud-based software for professional services firms.

**Incline Elevate Fund, L.P. (Incline)** invested in Wholesale Supplies Plus. Wholesale Supplies Plus is a value-added distributor of raw materials, supplies and packaging used in the production of soap, lotion, cosmetics, and candles, as well as other personal care products by professional crafters.

**US Select Direct Private Equity Fund II, L.P. (US Select)** invested in KnowBe4. KnowBe4 provides Security Awareness Training to help manage the IT security problems of social engineering, spear phishing, and ransomware attacks.

**Astra Partners I, L.P. (Astra)** had no material investment activity during the half year.

**CORE Industrial Partners Fund I, LP (CORE)** had no material investment activity during the half year.

**Elephant Partners II, L.P. (Elephant II)** had no material investment activity during the half year.

**Trivest Fund VI, L.P. (Trivest VI)** had no material investment activity during the half year.

**Cordish Dixon Private Equity Fund IV**  
**Report to unitholders**  
**30 September 2019**

**Gainline Equity Fund, L.P. (Gainline)** had no material investment activity during the half year.

**Nosara Capital Fund I, L.P. (Nosara)** had no material investment activity during the half year.

**Quad Partners V, L.P. (Quad)** had no material investment activity during the half year.

**Tower Arch Partners II, LP (Tower)** had no material investment activity during the half year.

I would like to thank Unitholders for their continued support as we look to further enhance Australian investors' exposure to small-to-mid-market US-based private investment firms.

Yours faithfully,



**Alex MacLachlan**

*Chairman of Walsh & Company Investments Limited*

**28 November 2019**

**Cordish Dixon Private Equity Fund IV**  
**Directors' report**  
**30 September 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 condensed financial statements of the Fund for the half-year ended 30 September 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

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

**Principal activities and significant changes in nature of activities**

The principal activity of the Fund during the half-year 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.

**Review and results of operations**

The profit for the Fund after providing for income tax amounted to \$3,192,360 (30 September 2018: \$720,626).

The key components of this result included a \$4,091,032 fair value movement gain (2018: \$194,610 gain) incurred on the Fund's investment in the LP and a \$629,632 foreign exchange movement gain (2018: \$556,950 gain) during the period. As at 30 September 2019, the Fund had net assets of \$78,054,859 (31 March 2019: \$74,862,499), representing \$0.66 per unit (31 March 2019: \$0.63 per unit). To balance date, the Responsible Entity has called \$0.64 per partly paid unit from the Australian investors.

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 11 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 half-year ended 30 September 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\$47.9 million.

The Fund has committed capital 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 30 September 2019 was US\$44.7 million (or \$66.2 million).

**Distributions**

There were no distributions paid, recommended or declared during the current or previous financial half-year.

**Events subsequent to the reporting period**

Subsequent to the half-year end, the third instalment of \$0.32 per partly paid unit was called by the Fund on 1 November 2019.

No other matter or circumstance has arisen since 30 September 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.

**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.

**Cordish Dixon Private Equity Fund IV**  
**Directors' report**  
**30 September 2019**

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Alex MacLachlan  
Chairman of Walsh & Company Investments Limited, Responsible Entity

28 November 2019

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

28 November 2019

Dear Board Members

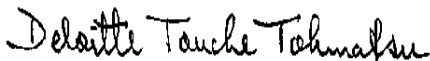
### **Cordish Dixon Private Equity Fund IV**

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 review of the financial statements of Cordish Dixon Private Equity Fund IV for the financial half-year period ended 30 September 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Weng W Ching  
Partner  
Chartered Accountants

**Cordish Dixon Private Equity Fund IV**  
**Condensed statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 September 2019**

	<b>Note</b>	<b>30 September 2019 \$</b>	<b>30 September 2018 \$</b>
<b>Investment income</b>			
Interest income		195,036	177,006
Foreign exchange gain		629,632	556,950
Fair value movements of equity investments	3	<u>4,091,032</u>	<u>194,610</u>
Total investment income		<u>4,915,700</u>	<u>928,566</u>
<b>Expenses</b>			
Management and administration fees	7	(355,664)	(94,982)
Custody fees	7	(5,938)	(3,623)
Registry fees		(9,322)	(6,757)
Legal and professional fees		(133,529)	(100,331)
Other expenses		<u>(925)</u>	<u>(2,247)</u>
Total expenses		<u>(505,378)</u>	<u>(207,940)</u>
<b>Profit before income tax expense</b>		4,410,322	720,626
Income tax expense		<u>(1,217,962)</u>	-
<b>Profit after income tax expense for the half-year</b>		3,192,360	720,626
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half-year</b>		<u><u>3,192,360</u></u>	<u><u>720,626</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per unit		2.71	0.73
Diluted earnings per unit		2.71	0.73

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



**Cordish Dixon Private Equity Fund IV**  
**Condensed statement of financial position**  
**As at 30 September 2019**

	<b>Note</b>	<b>30 September 2019 \$</b>	<b>31 March 2019 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		9,288,156	21,676,659
Receivables		28,778	52,543
<b>Total current assets</b>		<u>9,316,934</u>	<u>21,729,202</u>
<b>Non-current assets</b>			
Other financial assets	3	<u>70,051,531</u>	<u>53,248,681</u>
<b>Total non-current assets</b>		<u>70,051,531</u>	<u>53,248,681</u>
<b>Total assets</b>		<u>79,368,465</u>	<u>74,977,883</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		<u>95,644</u>	<u>115,384</u>
<b>Total current liabilities</b>		<u>95,644</u>	<u>115,384</u>
<b>Non-current liabilities</b>			
Deferred tax	4	<u>1,217,962</u>	-
<b>Total non-current liabilities</b>		<u>1,217,962</u>	-
<b>Total liabilities</b>		<u>1,313,606</u>	<u>115,384</u>
<b>Net assets</b>		<u>78,054,859</u>	<u>74,862,499</u>
<b>Equity</b>			
Unit capital	5	69,442,205	69,442,205
Retained earnings		<u>8,612,654</u>	<u>5,420,294</u>
<b>Total equity</b>		<u>78,054,859</u>	<u>74,862,499</u>

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

**Cordish Dixon Private Equity Fund IV**  
**Condensed statement of changes in equity**  
**For the half-year ended 30 September 2019**

	<b>Unit capital \$</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Balance at 2 March 2018	-	-	-
Profit after income tax expense for the half-year	-	720,626	720,626
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	720,626	720,626
Issued capital	72,367,464	-	72,367,464
Issue costs	(2,925,259)	-	(2,925,259)
Balance at 30 September 2018	<u>69,442,205</u>	<u>720,626</u>	<u>70,162,831</u>
	<b>Unit capital \$</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Balance at 1 April 2019	69,442,205	5,420,294	74,862,499
Profit after income tax expense for the half-year	-	3,192,360	3,192,360
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	3,192,360	3,192,360
Balance at 30 September 2019	<u>69,442,205</u>	<u>8,612,654</u>	<u>78,054,859</u>

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

**Cordish Dixon Private Equity Fund IV**  
**Condensed statement of cash flows**  
**For the half-year ended 30 September 2019**

	<b>30</b> <b>September</b> <b>2019</b> <b>\$</b>	<b>30</b> <b>September</b> <b>2018</b> <b>\$</b>
<b>Cash flows from operating activities</b>		
Interest income received	226,280	122,065
Net payments to suppliers	<u>(532,887)</u>	<u>(158,911)</u>
Net cash used in operating activities	<u>(306,607)</u>	<u>(36,846)</u>
<b>Cash flows from investing activities</b>		
Payment for investments	<u>(12,684,477)</u>	<u>(36,482,652)</u>
Net cash used in investing activities	<u>(12,684,477)</u>	<u>(36,482,652)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	-	72,367,464
Payment of issue costs	<u>-</u>	<u>(2,925,259)</u>
Net cash from financing activities	<u>-</u>	<u>69,442,205</u>
Net (decrease)/increase in cash and cash equivalents	(12,991,084)	32,922,707
Cash and cash equivalents at the beginning of the financial half-year	21,676,659	-
Effects of exchange rate changes on cash and cash equivalents	<u>602,581</u>	<u>595,531</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>9,288,156</u></u>	<u><u>33,518,238</u></u>

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

**Cordish Dixon Private Equity Fund IV**  
**Notes to the condensed financial statements**  
**30 September 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.

This half-year financial report is intended to provide users with an update on the latest financial statements of the Fund.

*Basis of preparation*

(i) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134: 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The condensed financial statements were authorised for issue by the directors on 28 November 2019.

(ii) Summary of significant accounting policies

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

The following new and revised Standard has been adopted in the current period and, where applicable, only affect disclosure and presentation in this financial report.

- AASB 16 'Leases' is effective for accounting periods beginning on or after 1 April 2019. The adoption of this Standard has no material impact on the Fund.

(iii) 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 3 (iv)), recognition of a deferred tax liability in respect of likely US tax obligations which will arise from underlying fund investment realisations (refer to note 4), and selection of Australian dollars as the functional currency of the Fund.

**Cordish Dixon Private Equity Fund IV**  
**Notes to the condensed financial statements**  
**30 September 2019**

**2. Operating segment**

The Fund operates a single reportable segment, that being the business of investing in small-to-mid-market private investments in the United States of America 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 condensed financial statements and notes to the condensed financial statements of the Fund.

**3. Non-current assets - other financial assets**

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

	<b>30</b>	<b>31 March</b>
	<b>September</b>	<b>2019</b>
	<b>2019</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
US Select Private Opportunities Fund IV, LP (LP)	<u>70,051,531</u>	<u>53,248,681</u>

	<b>30</b>	<b>31 March</b>
	<b>September</b>	<b>2019</b>
	<b>2019</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
(ii) Reconciliation		
Balance at the beginning of the period	53,248,681	-
Capital invested - at cost	12,711,818	48,694,665
Movement in fair value through profit or loss*	<u>4,091,032</u>	<u>4,554,016</u>
Balance at the end of the period	<u>70,051,531</u>	<u>53,248,681</u>

\* Included in the 'movement in fair value' amount of \$4,091,032 (year ended 31 March 2019: \$4,554,016) is an unrealised foreign exchange translation gain component of \$3,147,873 (year ended 31 March 2019: \$1,869,089 gain). 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 \$544,477 (year ended 31 March 2019: \$311,386)(refer to note 7).

(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 30 September 2019 is represented by its proportionate interest in the LP's assets and liabilities as follows:

**Cordish Dixon Private Equity Fund IV**  
**Notes to the condensed financial statements**  
**30 September 2019**

**3. Non-current assets - other financial assets (continued)**

	<b>30</b>	<b>31 March</b>
	<b>September</b>	<b>2019</b>
	<b>2019</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash	3,292,274	9,613,112
Investment in US private investment funds recorded at fair value	66,514,587	43,269,370
Prepaid Investment management fees	109,852	355,292
Other assets	134,818	10,907
	<u>70,051,531</u>	<u>53,248,681</u>

(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.

*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 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.

**Cordish Dixon Private Equity Fund IV**  
**Notes to the condensed financial statements**  
**30 September 2019**

**3. Non-current assets - other financial assets (continued)**

*Inter-relationship between significant unobservable inputs and fair value measurement*

The inter-relationship between the significant unobservable inputs and fair value measurements is such that the higher the growth rates or earnings multiples adopted by the investment funds, the higher the resultant fair value determination of the underlying equity investments, and therefore ultimately the higher the fair value of the Fund's investment in the LP. Since neither the Fund itself, nor the LP, has access to the underlying detailed equity investment valuations performed by the US investment funds, it is unable to assess the sensitivity of fair value determinations to changes in underlying unobservable inputs. However, at the Fund level, a 5% change (increase/decrease) in the carrying value of the LP's interest held in the underlying US investment funds would result in a \$3,325,729 impact (increase/decrease) in the carrying value of the Fund's investment in the LP. A 5% increase in the AUD/USD exchange rate would decrease the value of the Fund's investment in the LP by \$3,335,786. Conversely, a 5% decrease would increase the value of the Fund's investment by \$3,686,924. Refer to note 1(iii) for further details regarding investment risks and estimation uncertainty applied in the determination of the fair value of the underlying unlisted equity investments to which the Fund is exposed.

(v) Capital commitments

As at 30 September 2019, the Fund has made capital commitments totalling US\$115.0 million to the LP, of which US\$44.7 million has been called at balance date.

As at 30 September 2019, the Fund has uncalled capital commitments of US\$70.3 million (or \$104.2 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 half-year end exchange rate of 0.6750.

**4. Non-current liabilities - deferred tax**

	<b>30</b>	<b>31 March</b>
	<b>September</b>	<b>2019</b>
	<b>2019</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Deferred tax liability	<u>1,217,962</u>	<u>-</u>

The deferred tax liability has been assessed based on an estimate of likely US tax obligations the Fund will incur upon realisation of recorded fair value movements in connection with certain underlying private equity investments. This estimate is subject to estimation uncertainty as a result of limitations in the availability of information pertaining to the tax structure of the underlying investments in respect of which the Fund has an interest.

**5. Equity - unit capital**

	<b>30</b>	<b>31 March</b>	<b>30</b>	<b>31 March</b>
	<b>September</b>	<b>2019</b>	<b>September</b>	<b>2019</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
	<b>Units</b>	<b>Units</b>	<b>\$</b>	<b>\$</b>
Ordinary units - partly paid	<u>117,939,153</u>	<u>117,939,153</u>	<u>69,442,205</u>	<u>69,442,205</u>

*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.

There were no movements in unit capital during the half-year.

**Cordish Dixon Private Equity Fund IV**  
**Notes to the condensed financial statements**  
**30 September 2019**

**6. Equity - distributions**

There were no distributions paid, recommended or declared during the current or previous financial half-year.

**7. Related party disclosures**

*Directors*

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.

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.

*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. Management fees are paid to the Responsible Entity monthly in arrears.

The total management fees paid to the Responsible Entity for the half-year ended 30 September 2019 was \$310,763 (2018: \$61,971), exclusive of GST. There were outstanding management fees of \$52,236, exclusive of GST, as at 30 September 2019.

*Fund administration fees*

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 fees paid or payable for the half-year ended 30 September 2019 were \$30,000 (2018: \$30,000), 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, GP (**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. The fee is payable quarterly in advance from the funds of the LP. The total fees paid or payable during the half-year ended to 30 September 2019 amounted to \$615,924 (US\$426,676) (2018: \$106,507 (US\$79,246)). The Fund's 88.4% interest equates to \$544,477 (2018: \$94,152). In addition, prepaid expenses to the GP totalling \$109,852 remain outstanding at balance date. This fee is recorded in the books of the LP.

*US Select Direct Private Equity Fund II, L.P*

At balance date, the Fund's share of the LP's investment in US Select Direct Private Equity II, L.P. was \$32,074,736 (US\$21,650,447) (31 March 2019: \$21,816,741 (US\$15,481,159)). The General Partner of this investment is associated with the Responsible Entity of the Fund.

*Custodial services*

Effective 31 January 2019, the Responsible Entity 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 less a discount of 10%, or \$15,000 indexed to CPI annually less a discount of 10%. The fees are payable quarterly in arrears. Total fees paid or payable during the half-year ended 30 September 2019 were \$5,895 (exclusive GST).



**Cordish Dixon Private Equity Fund IV**  
**Notes to the condensed financial statements**  
**30 September 2019**

**8. 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 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
	\$	\$	\$	\$
<b>30 September 2019</b>				
<i>Financial assets carried at fair value</i>				
Other financial assets - equity investment constituting interest in US Select Private Opportunities Fund IV, LP	-	-	70,051,531	70,051,531
Total assets	-	-	70,051,531	70,051,531

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>31 March 2019</b>				
<i>Financial assets carried at fair value</i>				
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 period ended 30 September 2019.

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 3 (iv).

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.

**9. Events after the reporting period**

Subsequent to the half-year end, the third instalment of \$0.32 per partly paid unit was called by the Fund on 1 November 2019.

No other matter or circumstance has arisen since 30 September 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.

**Cordish Dixon Private Equity Fund IV**  
**Directors' declaration**  
**30 September 2019**

In the opinion of the directors of the Responsible Entity:

- the financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with the Accounting Standards;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 30 September 2019 and of its performance for the financial half-year 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.

Signed in accordance with a resolution of directors of the Responsible Entity made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors



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Alex MacLachlan  
Chairman of Walsh & Company Investments Limited, Responsible Entity

28 November 2019

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

We have reviewed the accompanying half-year financial report of Cordish Dixon Private Equity Fund IV ("the Fund"), which comprises the condensed statement of financial position as at 30 September 2019, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Responsible Entity of the Fund.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Responsible Entity of the Fund are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Cordish Dixon Private Equity Fund IV's financial position as at 30 September 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cordish Dixon Private Equity Fund IV, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity of the Fund, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cordish Dixon Private Equity Fund IV is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 30 September 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Weng W Ching

Partner

Chartered Accountants

Sydney, 28 November 2019

**Cordish Dixon Private Equity Fund IV**  
**Directory**  
**30 September 2019**

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