CORDISH DIXON
PRIVATE EQUITY FUND IV

Annual Financial Report

FOR THE YEAR ENDED
31 MARCH 2020

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

Stuart Nisbett
Peter Shear
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Report to Unitholders

For the year ended 31 March 2020

Dear Unitholders,

We are very pleased to provide you with the annual report on the performance of the Cordish Dixon Private Equity Fund IV (**Fund**) for the twelve-month period ended 31 March 2020 (**FY20**).

Financial performance

The performance of the Fund on a total return basis over FY20 has been strong with a post-tax Net Tangible Asset (**NTA**) return of 11.6%. This return reflects positive private equity market conditions through 2019 and into 2020 and the success of the underlying fund managers, but also incorporates the impact of COVID-19 towards the end of FY20, which is discussed in more detail below. The return was also aided by the declining Australian dollar, which fell 13.6% against the US dollar during FY20.

Underlying the strong NTA returns, this year's financial results are very pleasing. Net profit was $12.5 million or 10.6 cents per Unit, compared with $5.4 million or 5.0 cents per Unit for the previous financial year (**FY19**). The key component of this result was a $11.3 million fair value movement gain in the Fund's investment in the US Select Private Opportunities Fund IV Limited Partnership (**LP**). The LP is the investment vehicle through which the Fund's investments in the underlying United States (**US**) private investment funds are made. At 31 March 2020, the Fund had pre-tax net assets of $126.7 million representing $1.07 per Unit and post-tax net assets of $125.1 million representing $1.06 per Unit.

To recap the partly paid structure in the Fund, the issue price of Units was $1.60, to be paid in 5 instalments of $0.32. The first two instalments were called during FY19. During November 2019, Unitholders were asked to pay the third instalment of $0.32. Accordingly, at 31 March 2020, $0.96 or 60% of issue price for each partly paid unit has been paid. Subsequent to year-end, on 17 April 2020, a fourth capital call of $0.32 per partly paid Unit was closed. Following completion of the fourth capital call, $1.28 or 80% of the issue price for each partly paid Unit has been paid, and only one more capital call remains outstanding.

Investment activity

The Fund's investment objectives are 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 US, and capital growth over a five to ten-year investment horizon.

Through its investment in the LP, the Fund is fully committed across 12 US private investment funds all focused on small-to-mid-market private investment opportunities, for a total investment of US$145.0 million.

The US private investment funds have been selecting and investing in small to mid-size private businesses since the Fund's inception in April 2018. As a result, many of the underlying business opportunities are still in an early stage of investment. This is evident in the fact that at 31 March 2020, US$75.6 million (or 58.1%) of total funds committed to the LP had been called. The Fund's proportionate share of the capital called is approximately US$66.8 million (an 88.4% share).

During the period, the LP received 41 drawdown requests, and benefitted from two capital returns. At 31 March 2020, net drawdown requests from underlying investment funds were US$35.0 million (or 24.1% of total commitments).

The impact of COVID-19 on the Fund

During FY20, global financial markets, including US markets, hit multi-year highs. These gains were rapidly eroded in late-February and March of 2020 as the world implemented measures to control the spread of COVID-19 and to protect lives, effectively shutting down economic activity. The impact of COVID-19 restrictions will continue to be felt throughout 2020 and probably into 2021 despite economies beginning to re-open and for the time-being, we are in a period of relative uncertainty and dislocation. For private equity markets in general the most likely outcome will be a curtailed level of activity and longer holding periods for investments. At the underlying company level, many will take time to recover and some will not survive, but there are also sectors and companies that are finding opportunity in the crisis. At this stage, it is too early to understand how all of the investments will perform in the medium to longer term, but the Fund's portfolio is well diversified and our underlying fund managers continue to be proactive in addressing the effect of the outbreak across the portfolio.

Valuation technique adopted

Due to the advent of COVID-19, the prevailing volatility in markets, and the difference between the Fund's reporting date and the date of the most recent reported net assets of the underlying investment funds, the Board, in consultation with the Investment Manager, has considered likely movements in the first quarter 2020 valuations.

The adjustments resulting from the Board's consideration resulted in a reduction of the previously announced after-tax NTA at 31 March 2020 of 5.4%, or $0.06 per Unit, to $1.06 per Unit, as noted above. As the Board and Investment Manager receive updated valuations from underlying fund managers, these will be incorporated into the Fund's monthly NTA reports, as they have been in the past. For further information regarding the valuation technique adopted please refer to the notes to the financial statements in this annual report.

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, particularly in this time of economic uncertainty.

Yours faithfully,

Stuart Nisbett
Chairman of Walsh & Company Investments Limited, Responsible Entity

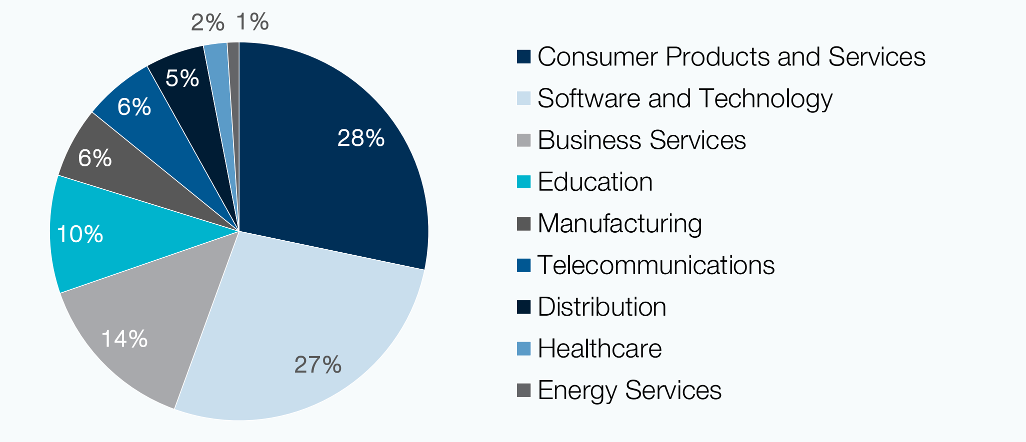
18 June 2020

Manager's Report

For the year ended 31 March 2020

At year end, the LP had US$145.0 million of total capital commitments to twelve underlying investment partners, including the commitment to a new manager in Q1 2020, Rucker Park.

A snapshot of the portfolio by underlying fund exposure as at 31 March 2020 is shown below.



Astra Partners I, L.P.

During Q4 of calendar year 2019 Astra Capital Management made an investment in Communication Technology Services (**CTS**), a U.S. provider of wireless infrastructure services.

In Q1 of 2020 Astra Capital Management called capital from the LP for an investment in DartPoints (announced in Q2 2020). DartPoints is an owner and operator of edge colocation data centers, which offer secure and reliable infrastructure in close proximity to users, particularly beyond Tier I markets.

CORE Industrial Partners Fund I, L.P.

During Q3 of 2019 CORE acquired Saylite Holdings LLC (previously named Fleco Industries), a provider of lighting solutions through multiple brands, including Saylite.

Elephant Partners II, L.P.

During Q4 of 2019, A Cloud Guru, platform investment of Elephant Partners II, acquired Linux Academy, a hands-on cloud training platform for all skill levels.

Gainline Equity Fund, L.P.

In Q1 of 2020, Gainline acquired SouceHOV Tax. Headquartered in Fort Worth, TX, SourceHOV Tax is a provider of tax incentive solutions to accounting firms and middle-market companies throughout the USA, servicing clients across its three main offerings, R&D tax credits, LIFO accounting and cost segregation solutions.

Incline Elevate Fund, L.P.

During Q2 of 2019, 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.

In Q1 of 2020, Incline invested in BFG Supply Company (**BFG**). Based in Burton, Ohio, BFG distributes a full line of professional horticulture and lawn & garden products. BFG leverages technology to efficiently serve its customers with industry-leading product selection and service levels.

Nosara Capital Fund I, L.P.

During Q3 of 2019, Nosara made further investments in existing portfolio companies through participation in the Series B funding rounds of Ordermark and Leaflink.

In addition, Nosara invested in e-commerce marketplace operator Provi. Provi provides a centralised platform that allows bars and alcohol retailers to order beverages directly from suppliers and distributors using a single ordering platform.

Quad Partners V, LP

During Q3 of 2019, Quad Partners made an add-on investment for portfolio company Streamline Brands with the acquisition of Saf-T-swim. With the acquisition of Saf-T-Swim, Streamline now considers itself to be the largest swim school network in North America.

Quad Partners also made an additional platform investment in The Gardner School in Q4 of 2019. The Gardner School is a network of state-of-the-art, academically-focused preschools across the US.

Rucker Park Capital Fund, LP

The LP committed US$5.0 million capital a new fund in Q1 2020. Rucker Park is a New York based firm looking to invest across North America. Led by Marissa Campise, Rucker Park focuses on early stage investment opportunities, partnering with firms that are harnessing technology to redefine the consumer, fintech, health and logistics industries.

Tower Arch Partners II, LP

In Q3 of 2019 Tower Arch invested into promotional products manufacturer SnugZ USA. SnugZ USA designs and manufactures an array of customisable lanyard, identification, personal care, and gifting products.

Trivest Fund VI, L.P.

In Q2 2019 Trivest announced two platform investments, AG Adjustments (**AGA**), and PCRK Holdings (**Massage Envy**). AGA is a provider of accounts receivable management solutions, focused on third party commercial debt recovery. Massage Envy, based in Scottsdale, Arizona, is a national franchisor and, through its franchise locations, is the leading provider of therapeutic massage and skincare services.

During Q3 of 2019 Trivest invested in BCC Engineering (**BCC**). BCC is based in Miami, Florida, and provides design, planning, and construction management services for transportation, civil, and structural engineering projects throughout the state.

Wavecrest Growth Partners I, L.P.

During Q2 of 2019, Wavecrest invested in Chicago based firm BigTime Software. BigTime Software is a provider of cloud-based software for project-based professional services firms providing an integrated "all-in-one" solution for budgeting, tracking, managing and invoicing.

In Q4 of 2019, Wavecrest invested in Building Engines, an operations platform for commercial real estate owners, operators and occupants.

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

In Q2 2019 US Select II called capital from the LP to invest in KnowBe4. KnowBe4 provides Security Awareness Training to help manage the IT security problems of social engineering, spear phishing and ransomware attacks.

Directors' Report

For the year ended 31 March 2020

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 year ended 31 March 2020.

Directors

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

- Stuart Nisbett (appointed on 19 December 2019)
- Warwick Keneally
- Mike Adams
- Peter Shear (appointed on 19 December 2019)
- Alex MacLachlan (resigned on 19 December 2019).

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

Information on the directors:

Stuart Nisbett
Chairman (appointed on 19 December 2019)

Stuart is currently Executive Director and Principal at Archerfield Capital Partners, a boutique corporate advisory firm specialising in real estate, which he established in 2008. He has more than 30 years experience in property development, property funds management, equity and debt raising, corporate advisory and project finance.

Previously, Stuart was Executive Director, Head of Property Funds at ANZ Investment Bank. He was also the Managing Director, Head of Property Banking & Property Investment Banking at N M Rothschild & Sons (Australia) Limited. Stuart has also held senior roles at director level at Macquarie Bank Property Investment Banking Division and at Lend Lease Corporation in its development and commercial asset management divisions.

Stuart is a Chartered Accountant and holds a Bachelor of Commerce with Merit and a Masters of Commerce from the University of NSW, and in 2005 was appointed a Fellow of the Australian Property Institute.

Alex MacLachlan
Chairman (resigned effective 19 December 2019)

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 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 is also a director of MA 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.

Peter Shear

Director (appointed on 19 December 2019)

Peter has significant expertise in funds management, financial advisory and complex lending arrangements including leveraged finance, property development and debt workout situations. Peter was most recently Co-Managing Partner of Opportunistic Lending and Special Situations at LIM Advisors. Prior to this role, Peter held the positions of Chief Risk Officer and Managing Director & Head of Corporate and Structured Finance at Lloyds Banking Group (and its predecessor HBOS plc) in Australia. Peter was also previously a Partner in Corporate Finance & Restructuring at Ernst & Young.

Peter has a Bachelor of Business from the University of Technology Sydney, an Executive MBA from AGSM, is a member of Chartered Accountants Australia and New Zealand, a Fellow of FINSIA and a Graduate Member of the Australian Institute of Company Directors.

Principal activities and significant changes in nature of activities

The principal activity of the Fund during the financial 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.

Distributions

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

Review and results of operations

The profit for the Fund after providing for income tax amounted to $12,481,957 (31 March 2019: $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. The LP has committed capital across 12 underlying private investment funds which focus on a range of industries including healthcare, business services, software businesses, and food and consumer products. For the year ended 31 March 2020, 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 year totaled US$66.8 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 31 March 2020 was US$66.8 million (or $108.9 million).

Total comprehensive income for the year was $12,481,957 (2019: $5,420,294). The key components of this result included a $11,259,691 fair value movement gain (2019: $4,554,016) incurred on the Fund's investment in the LP and a $3,320,393 foreign exchange movement gain (2019: $912,462) during the year. As at 31 March 2020, the Fund had net assets of $125,084,985 (2019: $74,862,499), representing $1.06 per unit (2019: $0.63 per unit). To balance date, the Responsible Entity has called $0.96 per partly paid unit from the Australian investors.

The Fund had a basic and diluted earnings per unit of 10.58 cents for the year ended 31 March 2020 (2019: 5.04 cents per unit).

Events subsequent to the reporting period

The Novel Coronavirus (**COVID-19**) was declared a pandemic in March 2020 by the World Health Organisation. The subsequent quarantine measures imposed by the United States of America and other governments as well as the travel and trade restrictions imposed have caused disruption to businesses and economic activity.

As the situation remains fluid as at the date these financial statements are authorised for issue, the directors considered that the financial effects of COVID-19 on the Fund's financial statements cannot be reasonably estimated for future financial periods. However, the directors considered that the general economic impacts arising from COVID-19 are expected to have an impact on the operations of the portfolio of companies held by the underlying investment funds and consequently on the valuation of the Fund's investment in the LP in subsequent reporting periods.

On 30 March 2020, the Fund made its fourth capital call of $0.32 per partly paid unit. The capital call subsequently closed on 17 April 2020.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent financial years.

Future developments and expected results of operations

The Fund has committed capital to the LP to fund 12 underlying private investment funds 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 five 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 year – refer to note 16 to the financial statements
- details of number of units in the Fund held by the Responsible Entity, their related parties and Directors at the end of the financial year – refer to note 16 to the financial statements
- details of issued interests in the Fund during the financial year – refer to note 6 to the financial statements.

Options

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

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 year, 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 year, 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 17 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 17 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

Stuart Nisbett
Chairman of Walsh & Company Investments Limited, Responsible Entity

18 June 2020

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

18 June 2020

Dear Board Members

Auditor’s Independence Declaration to 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 report of Cordish Dixon Private Equity Fund IV for the year ended 31 March 2020, 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 year ended 31 March 2020

	NOTE	2020 $	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019 $
Investment income			
Interest income		**383,389**	476,091
Foreign exchange gain		**3,320,393**	912,462
Fair value movements of equity investments	10	**11,259,691**	4,554,016
Total investment income		**14,963,473**	5,942,569
Expenses			
Management and administration fees	16	**(725,313)**	(259,253)
Custody fees	16	**(14,705)**	(12,563)
Registry fees		**(24,893)**	(20,866)
Legal and professional fees	16	**(276,845)**	(219,848)
Other expenses		**(11,119)**	(9,745)
Total expenses		**(1,052,875)**	(522,275)
Profit before income tax expense		**13,910,598**	5,420,294
Income tax expense	4	**(1,428,641)**	–
Profit after income tax expense for the year		**12,481,957**	5,420,294
Other comprehensive income for the year, net of tax		**–**	–
Total comprehensive income for the year		**12,481,957**	5,420,294

	NOTE		CENTS
Basic earnings per unit	5	**10.58**	5.04
Diluted earnings per unit	5	**10.58**	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 2020

	NOTE	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	7	**15,272,989**	21,676,659
Receivables	9	**80,251**	52,543
Total current assets		**15,353,240**	21,729,202
Non-current assets			
Other financial assets	10	**111,497,958**	53,248,681
Total non-current assets		**111,497,958**	53,248,681
Total assets		**126,851,198**	74,977,883
Liabilities			
Current liabilities			
Trade and other payables	11	**169,236**	115,384
Total current liabilities		**169,236**	115,384
Non-current liabilities			
Deferred tax	12	**1,596,977**	–
Total non-current liabilities		**1,596,977**	–
Total liabilities		**1,766,213**	115,384
Net assets		**125,084,985**	74,862,499
Equity			
Unit capital	6	**107,182,734**	69,442,205
Retained earnings		**17,902,251**	5,420,294
Total equity		**125,084,985**	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 year ended 31 March 2020

	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 6)	72,367,464	–	72,367,464
Issue costs (note 6)	(2,925,259)	–	(2,925,259)
Balance at 31 March 2019	**69,442,205**	**5,420,294**	**74,862,499**

	ISSUED CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
	$	$	$
Balance at 1 April 2019	69,442,205	5,420,294	74,862,499
Profit after income tax expense for the year	–	12,481,957	12,481,957
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive income for the year	–	12,481,957	12,481,957
Transactions with unitholders in their capacity as unitholders:			
Issued capital (note 6)	37,740,529	–	37,740,529
Balance at 31 March 2020	**107,182,734**	**17,902,251**	**125,084,985**

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

Statement of Cash Flows

For the year ended 31 March 2020

	NOTE	2020 $	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019 $
Cash flows from operating activities			
Interest income received		**409,407**	431,046
Net payments to suppliers		**(1,053,039)**	(414,389)
Net cash (used in)/from operating activities	8	**(643,632)**	16,657
Cash flows from investing activities			
Payment for investments		**(46,643,681)**	(48,726,465)
Net cash used in investing activities		**(46,643,681)**	(48,726,465)
Cash flows from financing activities			
Proceeds from issue of units	6	**37,740,529**	72,367,464
Payment of issue costs	6	**–**	(2,925,259)
Net cash from financing activities		**37,740,529**	69,442,205
Net (decrease)/increase in cash and cash equivalents		**(9,546,784)**	20,732,397
Cash and cash equivalents at the beginning of the financial year		**21,676,659**	–
Effects of exchange rate changes on cash and cash equivalents		**3,143,114**	944,262
Cash and cash equivalents at the end of the financial year	7	**15,272,989**	21,676,659

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

Notes to the Financial Statements

31 March 2020

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.

(a) 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.

(b) 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 18 June 2020. For the purposes of preparing the financial statements, the Fund is a for-profit entity.

(c) 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 year.

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

- AASB 16 'Leases'
- AASB Interpretation 23 'Uncertainty Over Income Tax Treatments', AASB 2017–4 'Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments'
- AASB 2018-1 'Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle'.

No new or revised Standards and Interpretations effective for the current year are considered to materially impact the Fund.

(d) Accounting Standards and Interpretations issued but not yet effective

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

(i) AASB 2018-6 'Amendments to Australian Accounting Standards – Definition of a Business'

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 not expected to have a material impact on the Fund.

(ii) AASB 2018-7 'Amendments to Australian Accounting Standards – Definition of Material'

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 not expected to have a material impact on the Fund.

(iii) AASB 2019-1 'Amendments to Australian Standards – References to the Conceptual Framework'

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 not expected to have a material impact on the Fund.

(iv) AASB 2019-5 'Amendments to Australian Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia'

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 not expected to have a material impact on the Fund.

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.

(i) Financial assets

The Fund's financial assets comprise of cash and cash equivalents, receivables and interest in Limited Partnership.

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.

Cash and cash equivalents and receivables 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 effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

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

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. Derivative liabilities are subsequently measured at fair value.

(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 financial assets

The Fund recognises a loss allowance for expected credit losses (**ECL**) on financial assets that are measured at amortised cost. The amount of ECL 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 significantly 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 change 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 also include other accrued receivables. 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 corporate unit trust or 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 United States of America (**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 qualifies 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 10 (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 12), 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 investing in small-to-mid-market private investments in the US 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. Income tax expense

	2020	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019
	$	$
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	**13,910,598**	5,420,294
Tax at the statutory tax rate of 30%	**4,173,179**	1,626,088
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
– Income and expenditure of Australian trust not subject to tax	**(4,173,179)**	(1,626,088)
– Fair value movement likely to be subject to USA taxation	**1,428,641**	–
Income tax expense	**1,428,641**	–

5. Earnings per unit

	2020	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019
	$	$
Profit after income tax	**12,481,957**	5,420,294

	NUMBER	NUMBER
Weighted average number of ordinary units used in calculating basic earnings per unit	**117,939,153**	107,488,848
Weighted average number of ordinary units used in calculating diluted earnings per unit	**117,939,153**	107,488,848

	CENTS	CENTS
Basic earnings per unit	**10.58**	5.04
Diluted earnings per unit	**10.58**	5.04

There are no adjustments on the basic earnings per unit for the calculation of diluted earnings per unit and there are no transactions that would significantly change the number of ordinary units at the end of the reporting period.

6. Equity – unit capital

	2020	2019	2020	2019
	UNITS	UNITS	$	$
Ordinary units – partly paid	**117,939,153**	117,939,153	**107,182,734**	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
Partly paid ordinary units – third instalment of capital call	1 November 2019	–	37,740,529
Balance	**31 March 2020**	**117,939,153**	**107,182,734**

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 third instalment of $0.32 per partly paid unit was called on 1 November 2019.

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 $107,182,734. The Fund is not subject to any externally imposed capital requirements.

7. Current assets – cash and cash equivalents

	2020	2019
	$	$
Cash at bank	**15,272,989**	21,676,659

The exposure to interest rate risk and a sensitivity analysis is disclosed in note 14 to the financial statements.

8. Reconciliation of profit after income tax to net cash (used in)/from operating activities

	2020	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019
	$	$
Profit after income tax expense for the year	**12,481,957**	5,420,294
Adjustments for:		
Fair value movements of equity investments	**(11,259,691)**	(4,554,016)
Net foreign exchange gain	**(3,489,019)**	(912,462)
Change in operating assets and liabilities:		
– (Increase) in receivables	**(27,708)**	(52,543)
– Increase in payables	**53,852**	115,384
– Increase in deferred tax liabilities	**1,596,977**	–
Net cash (used in)/from operating activities	**(643,632)**	16,657

9. Current assets – receivables

	2020	2019
	$	$
Interest receivable	**19,027**	45,045
GST receivable	**11,664**	7,498
Other receivable	**49,560**	–
	80,251	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.

10. Non-current assets – other financial assets

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

	2020	2019
	$	$
US Select Private Opportunities Fund IV, LP (LP)	**111,497,958**	53,248,681

(ii) Reconciliation

	2020	2019
	$	$
Balance at the beginning of the year	**53,248,681**	–
Capital invested – at cost	**46,989,586**	48,694,665
Movement in fair value through profit or loss*	**11,259,691**	4,554,016
Balance at the end of the year	**111,497,958**	53,248,681

* Included in the 'movement in fair value' amount of $11,259,691 (2019: $4,554,016) is an unrealised foreign exchange translation gain component of $11,827,812 (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, totaling $1,396,611 (2019: $311,386) (refer to note 16).

(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 2020 is represented by its proportionate interest in the LP's assets and liabilities as follows:

	2020	2019
	$	$
Cash	**17,567,873**	9,613,112
Investment in US private investment funds recorded at fair value:		
Astra Partners I, LP	**5,402,113**	2,318,593
CORE Industrial Partners Fund I, LP	**5,711,491**	1,410,318
Elephant Partners II, LP	**9,639,232**	3,589,965
Gainline Equity Fund, LP	**9,326,317**	5,314,398
Nosara Capital Fund I, LP	**8,318,150**	3,126,358
Quad Partners V, LP	**8,020,528**	2,567,923
Trivest Fund VI, LP	**3,586,799**	427,790
US Select Direct Private Equity II, LP	**35,015,834**	21,816,741
Wavecrest Growth Partners I, LP	**7,112,146**	2,697,284
Incline Elevate Fund, LP	**3,981,085**	–
Tower Arch Partners II, LP	**561,727**	–
Rucker Park Capital Fund, LP	**2,161,699**	–
Prepaid Investment management fees	**120,959**	355,292
Other assets	**–**	10,907
Due from Nosara Capital Fund I, LP	**846,147**	–
Due to Gainline Equity Fund, LP	**(2,823,939)**	–
Due to Incline Elevate Fund	**(2,971,489)**	–
Due to Quad Partners V, LP	**(78,714)**	–
Net assets*	**111,497,958**	53,248,681

* Included in net assets of $111,497,958 (2019: $53,248,681) are investments in US private investment funds of $98,837,121 (2019: $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 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.

The underlying investment funds typically invest in US unlisted equity investments with fair values determined periodically based on market or income-based valuation techniques, which may involve the use of unobservable inputs such as discount rate and earnings multiple.

The valuation of the Fund's equity investment in the LP are based on the fair values of the underlying investment funds at 31 December 2019 adjusted for any changes to those valuations to reflect movements to 31 March 2020, including foreign exchange translation impacts arising from translating the USD denominated interest in the LP to AUD at each balance date.

As 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 underlying investment funds, and given prevailing volatility in markets due to the advent of COVID-19, the Board in consultation with the Investment Manager, has considered likely movements in the first quarter to 31 March 2020 valuations.

The Board has estimated the movement in the fair values of the underlying investment funds between 1 January 2020 and 31 March 2020 based on an estimated percentage discount of 7.25% by having regard to the percentage change in an appropriate US public market index during the quarter, the historic correlation between public and private equity market valuations and market conditions during this period.

A decrease in the fair value discount by 5 percentage points would result in an increase in equity investments by $4,500,526 to $115,998,484. An increase in the fair value discount by 5 percentage points would result in a decrease in equity investments by $4,500,526 to $106,997,432.

Refer further to note 14 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. As there are no directly observable prices, the fair values assigned by the investment funds to each investment are based upon a range of factors including, but not limited to, the initial purchase price, market trading multiples and observed transaction metrics. The resulting valuations may differ significantly from the values that would have been realised had a transaction taken place at the balance date. The 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. Estimation uncertainty also arises in relation to likely US tax obligations the Fund will incur in connection with realisation of recorded fair value movements (refer note 12).

(v) Capital commitments

As at 31 March 2020, the Fund has made capital commitments totalling US$115.0 million to the LP, of which US$66.8 million has been called at balance date.

As at 31 March 2020, the Fund has uncalled capital commitments of US$48.2 million (or A$78.6 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 AUD:USD year end exchange rate of 0.6131.

11. Current liabilities – trade and other payables

	2020	2019
	$	$
Trade creditors	**–**	35,059
Accrued liabilities	**169,236**	80,325
	169,236	115,384

Refer to note 14 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.

12. Non-current liabilities – deferred tax

	2020	2019
	$	$
Deferred tax liability	**1,596,977**	–
	1,596,977	–

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.

13. Equity – distributions

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

14. 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 10(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 0.6131.

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

	ASSETS		LIABILITIES	
	2020	2019	2020	2019
	$	$	$	$
Cash and cash equivalents	**12,491,250**	19,829,500	**–**	–
Receivables	**17,860**	42,515	**–**	–
Financial assets (equity investments)	**111,497,958**	53,248,681	**–**	–
Trade & other payables	**–**	–	**(46,485)**	–
	124,007,068	73,120,696	**(46,485)**	–

Sensitivity analysis

The effect of the foreign exchange risk relating to equity investments (investment in the Limited Partnership) is recorded in profit or loss as part of the overall fair value movement in the investment (refer to note 10(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 2020 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, equity investment and trade and other payables. This analysis assumes that all other variables remain constant.

2020	AUD STRENGTHENED % CHANGE	AUD STRENGTHENED EFFECT ON PROFIT BEFORE TAX	AUD STRENGTHENED EFFECT ON EQUITY	AUD WEAKENED % CHANGE	AUD WEAKENED EFFECT ON PROFIT BEFORE TAX	AUD WEAKENED EFFECT ON EQUITY
Cash and cash equivalents	10%	(1,135,568)	(1,135,568)	(10%)	1,387,917	1,387,917
Receivables	10%	(1,624)	(1,624)	(10%)	1,984	1,984
Equity investments	10%	(10,136,178)	(10,136,178)	(10%)	12,388,662	12,388,662
Trade & other payables	10%	4,226	4,226	(10%)	(5,165)	(5,165)
		(11,269,144)	**(11,269,144)**		**13,773,398**	**13,773,398**

2019	AUD STRENGTHENED % CHANGE	AUD STRENGTHENED EFFECT ON PROFIT BEFORE TAX	AUD STRENGTHENED EFFECT ON EQUITY	AUD WEAKENED % CHANGE	AUD WEAKENED EFFECT ON PROFIT BEFORE TAX	AUD WEAKENED 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		
2020	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY	% CHANGE	EFFECT ON PROFIT BEFORE TAX	EFFECT ON EQUITY
Equity investments (refer note 10(iii))	**10%**	**9,883,712**	**9,883,712**	**(10%)**	**(9,883,712)**	**(9,883,712)**

	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 10(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		
2020	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**	**76,365**	**76,365**	**(50)**	**(76,365)**	**(76,365)**

	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 year 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:

	2020	2019
	$	$
Summary of exposure		
Cash and cash equivalents	**15,272,989**	21,676,659
GST receivable	**11,664**	7,498
Interest receivable	**19,027**	45,045
Other receivable	**49,560**	–
	15,353,240	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 $15,272,989 at 31 March 2020. In accordance with the Constitution, the Responsible Entity can call on the unpaid amount of partly paid units as required. At 31 March 2020, $0.64 per partly paid unit is yet to be called, amounting to $75,481,058. 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 $78,635,684 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.

2020	LESS THAN 12 MONTHS $	AT CALL $	REMAINING CONTRACTUAL MATURITIES $
Non-derivatives			
Non-interest bearing			
Trade and other payables	169,236	–	169,236
Capital commitments*	–	78,635,684	78,635,684
Total non-derivatives	**169,236**	**78,635,684**	**78,804,920**

2019	LESS THAN 12 MONTHS $	AT CALL $	REMAINING CONTRACTUAL MATURITIES $
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.

15. 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
2020	$	$	$	$
Financial assets carried at fair value				
Other financial assets – equity investment constituting interest in US Select Private Opportunities Fund IV, LP	–	–	111,497,958	111,497,958
Total assets	**–**	**–**	**111,497,958**	**111,497,958**

	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 year.

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 10.

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.

16. Related party disclosures

Key management personnel

Stuart Nisbett, Warwick Keneally, Mike Adams and Peter Shear are directors of the Responsible Entity, Walsh & Company Investments Limited, and are deemed to be key management personnel. Alex MacLachlan resigned as director of the Responsible Entity effective 19 December 2019.

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:

	2020	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019
Warwick Keneally	**9,375**	9,375
	9,375	9,375

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 of 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 year ended 31 March 2020 was $635,143 (2019: $190,074), exclusive of GST. There were outstanding management fees of $58,564, exclusive of GST, as at 31 March 2020 (2019: $49,084).

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 year ended 31 March 2020 were $60,000, exclusive of GST (2019: $60,000).

Investment manager fee

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, 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 fee paid or payable during the year amounted to $1,579,876 (US1,077,326) (2019: $352,247 (US$256,923)). The Fund's 88.4% interest equates to $1,396,611 (2019: $311,386). In addition, prepaid expenses to the GP totaling $121,020 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 $ 35,015,834 (US$21,468,208) (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

The Responsible Entity provides custodial services to the Fund in its personal capacity (**Custodian**) under a custody arrangement with Walsh & Company Investments Limited. 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 for the year ended 31 March 2020 were $14,608 (2019: nil).

Legal and consulting services

Effective from January 2020, the Responsible Entity entered into an agreement with MDA1 Pty Limited, trading as MA Law, to provide legal and consulting services to the Responsible Entity and the investment schemes under its control. Mike Adams, a director of the Responsible Entity, is also a director and shareholder of MDA1 Pty Limited. Mike Adams previously provided similar services as an employee of a non-related entity to the Fund. The fees paid or payable for the year ended 31 March 2020 were $2,474 (2019: nil), exclusive of GST, and are included in the total legal and professional fees in the statement of profit or loss and other comprehensive income.

17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Fund, and its network firms:

	2020	PERIOD FROM 2 MARCH 2018 TO 31 MARCH 2019
	$	$
Audit services – Deloitte Touche Tohmatsu		
Audit or review of the financial statements	**69,450**	45,000
Other services – Deloitte Touche Tohmatsu		
Taxation services	**8,500**	412
	77,950	45,412
Other Audit Firms – Deloitte Tax LLP		
Taxation services	**49,071**	–

18. Capital commitments

Other than the capital commitments disclosed in note 10(v) to the financial statements, the Fund does not have any other capital commitments outstanding for the year ended 31 March 2020.

19. Contingent liabilities

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

20. Events after the reporting period

The Novel Coronavirus (**COVID-19**) was declared a pandemic in March 2020 by the World Health Organisation. The subsequent quarantine measures imposed by the United States of America and other governments as well as the travel and trade restrictions imposed have caused disruption to businesses and economic activity.

As the situation remains fluid as at the date these financial statements are authorised for issue, the directors considered that the financial effects of COVID-19 on the Fund's financial statements cannot be reasonably estimated for future financial periods. However, the directors considered that the general economic impacts arising from COVID-19 are expected to have an impact on the operations of the portfolio of companies held by the underlying investment funds and consequently on the valuation of the Fund's investment in the LP in subsequent reporting periods.

On 30 March 2020, the Fund made its fourth capital call of $0.32 per partly paid unit. The capital call subsequently closed on 17 April 2020.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent financial years.

Directors' Declaration

For the year ended 31 March 2020

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 2020 and of its performance for the financial 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.

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

Stuart Nisbett
Chairman of Walsh & Company Investments Limited, Responsible Entity

18 June 2020

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 2020, 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 2020 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 & Company 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.

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 annual report for the year ended 31 March 2020, 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.

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

DELOITTE TOUCHE TOHMATSU

Weng W Ching
Partner
Chartered Accountants
Sydney, 18 June 2020