



**ACIF PRIORITY FUND  
WALLAROO INFRASTRUCTURE  
UNIT CLASS**

ABN 88 252 283 867

FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2023

**ACIF PRIORITY FUND  
WALLAROO INFRASTRUCTURE UNIT CLASS**

**TRUSTEE REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

The Directors of the Trustee, Vasco Custodians Pty Ltd present their report on the ACIF Priority Fund Wallaroo Infrastructure Unit Class ('the Fund') for the year ended 30 June 2023. This report is for the Wallaroo Infrastructure Unit Class only.

**1. Directors of Vasco Custodians Pty Ltd for the period 1 July 2022 to 30 June 2023**

The names of Directors of the Trustee in office at any time during the financial year were:

Craig Mathew Dunstan

Fiona Jean Dunstan

**2. Principal Activities**

The principal activities of the ACIF Priority Fund are to allow investors the opportunity to participate in an established investment vehicle that will invest in mezzanine finance loans and other real estate related investments and infrastructure investments. The target investment of the Wallaroo Infrastructure Unit Class is the ICAM ACIF Lucky Bay 2 Trust (Trust), which is developing a port in South Australia.

The ACIF Priority Fund has six-unit classes. The Wallaroo Infrastructure Unit Class is one of the unit classes. The five other unit classes are listed below:

1. Property and Loan Unit Class
2. Infrastructure Performance Unit Class
3. Income Unit Class
4. Lucky Bay Infrastructure Unit Class
5. Strategic Unit Class

The ACIF Priority Fund was established on 1 April 2016 and issued the first units in the Wallaroo Infrastructure Unit Class on the commencement date of 14 June 2019. All units were issued at \$1.00.

**3. Operating Results**

The operating loss of the Fund for the financial year ending 30 June 2023 was \$461,724 (2022: loss \$516,648).

**4. Review of Operations**

Since inception the Fund has issued 25,300,000 units of which none have resulted from the reinvestment of distributions. No redemption of units has occurred.

During the financial year, 5,000,000 units have been issued.

As at 30 June the Fund's investment comprised the following:

<b>Investment</b>	<b>2023 \$</b>	<b>2022 \$</b>
ICAM ACIF Lucky Bay 2 Trust	23,782,052	19,087,852
<b>Total</b>	<b>23,782,052</b>	<b>19,087,852</b>

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FOR THE YEAR ENDED 30 JUNE 2023**

**4. Review of Operations (continued)**

The value of the investment in ICAM ACIF Lucky Bay 2 Trust has been further supported by a valuation undertaken by KPMG. The carrying value of the investment is within the range suggested.

**5. Review of Performance**

Unit Class	2023 % p.a.	2022 % p.a.
Ordinary units	(0.3)	151.10*

\*The increase is a result of a change in valuation approach. The value of the investment in ICAM ACIF Lucky Bay 2 Trust has increased as a result of adopting the independent equity valuation report by KPMG.

**6. Unit Redemption Prices**

Unit redemption prices (quoted ex-distribution and exclusive of exit fees) are shown as follows:

	2023 \$	2022 \$
At 30 June	0.9007	0.9037
High during year	0.9059	0.9040
Low during year	0.8969	0.0000*

\*At a point in time, the Fund was in a negative net asset position, which would technically result in a negative unit price. For practical purposes, to provide transparency the unit price is shown as zero.

The availability and timing of redemptions is subject to the terms of the Fund's Constitution.

**7. Distributions Paid or Recommended**

The Fund had expected to receive distributions of income annually from holding units in the ICAM Lucky Bay 2 Trust. Distributions from the Trust are likely to be made from operating cash flows and in certain circumstances, retained earnings. The Investment Manager of the head Fund is working towards optimising their margins from the project, given the start-up nature of the asset and associated challenges with adverse weather events and the pandemic environment.

The construction of the Wallaroo Port being developed by ICAM via the ICAM ACIF Lucky Bay Trust 2 was affected by the rapid onset of COVID-19 which saw a significant disruption in private capital markets which in turn has deferred the construction program. The Trustee of the ICAM ACIF Lucky Bay Trust 2 has advised they are now anticipating distributions to commence after the 2023/24 grain harvest season.

Distributions of income are expected to be annually from this date.

No distributions were paid or recommended during the period.

**8. Applications Held**

As at 30 June 2023, the value of pending unit allocations was nil.

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FOR THE YEAR ENDED 30 JUNE 2023**

**9. Redemption Arrangements**

As detailed in the Fund's Constitution, the Trustee is not under any obligation to buy back, purchase or redeem units from unitholders. No units were redeemed by the Trustee during the reporting period.

**10. Options**

No options over issued units or interests in the Fund were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The Directors and executives of the Trustee hold no options over interests in the Fund.

**11. Proceedings on Behalf of the Fund**

No person has applied to the court for leave to bring proceedings on behalf of the Fund, or to intervene in any proceedings to which the Fund is a party, for the purpose of taking responsibility on behalf of the Fund for all or any part of their proceedings.

**12. Value of Scheme Assets**

The gross asset value of the Fund at the end of the reporting period was \$23,962,479 (2022: \$19,171,131). The net asset value at the end of the reporting period was \$22,786,737 (2022: \$18,344,261).

**13. Significant Changes in State of Affairs**

Apart from those matters referred to in the previous sections of this Report, there have been no other significant changes to the state of affairs of the Fund during the financial year.

**14. After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years other than as disclosed in this report.

**15. Indemnifying Officers or Auditor**

During or since the end of the financial year, the Trustee has paid insurance premiums to insure each of the aforementioned Directors as well as officers of the Trustee against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the Trustee, other than conduct involving a willful breach of duty in relation to the Trustee.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Trustee has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the Trustee or of any related body corporate against a liability incurred as such an officer or auditor.

**16. Future Developments**

There are no future developments to report on which are not otherwise disclosed in this report.

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**TRUSTEE REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**17. Fees, Commissions or Other Charges by the Trustee, Investment Manager or Related Parties**

Investment Management fees of \$449,803 (2022: \$502,364) (plus GST) were paid by the Fund to the Investment Manager for the period.

The Investment Manager is responsible for the payment of the fees of the Trustee and Administration Manager.

**18. Units held by the Trustee, Investment Manager or Related Parties**

At 30 June 2023, neither the Trustee nor the Investment Manager or their related parties held units in the Fund.

**19. Interests in the Fund**

The movement of units on issue in the Fund during the year is set out in Note 12 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the Statement of Financial Position and derived using the basis set out in Note 1 to the financial statements.

**20. Rounding of Amounts**

The Fund is of a kind referred to in the *Australian Securities and Investments Commission's Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191*. Consequently, amounts in the financial statements have been rounded to the nearest dollar in accordance with that legislative instrument, or in certain cases, the nearest thousand dollars.

**21. Environmental Issues**

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

Signed in accordance with a resolution of the Board of Directors of Vasco Custodians Pty Ltd by:

*Craig Dunstan*

**Craig Dunstan**

Director

Date: 19 September 2023

**ACIF PRIORITY FUND  
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 \$	2022 \$
<b>Revenue and other income</b>			
Bank interest	2 (a)	2,223	37
Other interest	2 (b)	-	14
<b>Total revenue and other income</b>		<b>2,223</b>	<b>51</b>
<b>Expenses</b>			
Investment manager fees	3	449,803	502,364
Other expenses	5	14,144	14,335
<b>Total expenses</b>		<b>463,947</b>	<b>516,699</b>
<b>Operating (loss) attributed to unitholders</b>		<b>(461,724)</b>	<b>(516,648)</b>
<b>Other comprehensive income</b>			
Fair value profit on investments	6	95,800	8,162,612
<b>Total other comprehensive income</b>		<b>95,800</b>	<b>8,162,612</b>
<b>Total comprehensive income / (loss) for the year attributable to unitholders net of distributions</b>		<b>(365,924)</b>	<b>7,645,964</b>

The accompanying notes form part of these financial statements.

**ACIF PRIORITY FUND  
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**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	Notes	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	7	98,918	14,621
Sundry debtors	8	81,509	68,658
<b>Total current assets</b>		<b>180,427</b>	<b>83,279</b>
<b>Non-current assets</b>			
Investment in ICAM ACIF Lucky Bay 2 Trust	9	23,782,052	19,087,852
<b>Total non-current assets</b>		<b>23,782,052</b>	<b>19,087,852</b>
<b>Total assets</b>		<b>23,962,479</b>	<b>19,171,131</b>
<b>Liabilities</b>			
Fees payable	10	1,066,167	750,000
Other expenses payable	11	109,576	76,870
<b>Total liabilities</b>		<b>1,175,742</b>	<b>826,870</b>
<b>Net assets</b>		<b>22,786,737</b>	<b>18,344,261</b>
<b>Represented by:</b>			
Issued units	12 (a)	25,300,000	20,300,000
Undistributed (loss) attributable to unitholders	12 (b)	(2,513,263)	(1,955,739)
<b>Net assets attributable to unitholders</b>		<b>22,786,737</b>	<b>18,344,261</b>

The accompanying notes form part of these financial statements.

**ACIF PRIORITY FUND  
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or the end of the financial year.



**ACIF PRIORITY FUND  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers		(148,926)	(221,512)
Interest received		2,223	50
		21,001	
Net cash (used in) operating activities		<b>(125,702)</b>	<b>(221,462)</b>
 <b>Cash flows from investing activities</b>			
Payment for investment assets		(4,790,000)	(5,077,400)
Net cash (used in) investing activities		<b>(4,790,000)</b>	<b>(5,077,400)</b>
 <b>Cash flows from financing activities</b>			
Proceeds from issue of units	12 (a)	5,000,000	5,300,000
Net cash provided by financing activities		<b>5,000,000</b>	<b>5,300,000</b>
Net increase in cash and cash equivalents		84,298	1,138
Cash and cash equivalents at the beginning of year		14,621	13,483
<b>Cash and cash equivalents at the end of year</b>	<b>7</b>	<b>98,918</b>	<b>14,621</b>

The accompanying notes form part of these financial statements.

**ACIF PRIORITY FUND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The financial report is for the ACIF Priority Fund Wallaroo Infrastructure Unit Class ('the Fund'). The Fund is an unregistered managed investment scheme established and domiciled in Australia. The Trustee of the Fund is Vasco Custodians Pty Ltd, and Australia China Investment Fund Pty Ltd is the Investment Manager of the Fund.

**Basis of Preparation**

**(a) Statement of compliance**

The Fund has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting*).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. ACIF Priority Fund Wallaroo Infrastructure Unit Class is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were approved by the Board of Directors of the Trustee on 19 September 2023.

**(b) Basis of measurement**

The financial report is prepared on the historical cost basis except for the following material items in the Statement of Financial Position:

Investment assets are measured at fair value.

**(c) Functional and presentation currency**

These financial statements are presented in Australian dollars, which is the Fund's functional currency.

**(d) Use of estimates and judgements**

The preparation of financial statements requires the Directors of the Trustee to undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**ACIF PRIORITY FUND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Significant accounting policies**

**(a) Financial instruments**

Financial assets and financial liabilities are recognised on the Fund's Statement of Financial Position when the Fund becomes a party to the contractual provisions of the instrument.

**(i) Measurement**

Financial assets and financial liabilities are held at fair value through profit or loss.

Under this approach, financial assets and financial liabilities are generally measured initially at fair value excluding any transaction costs that are directly attributable to acquisition.

Subsequent to initial recognition, all financial instruments are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

*Fair value in an active market*

The fair value of financial assets and liabilities traded in active markets are based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices on the reporting date, while financial liabilities are priced at current offer prices.

*Fair value in an inactive or unquoted market*

The fair values of financial assets and liabilities that are not traded in an active market are determined through the valuation policy identified in the Information Memorandum for the Fund.

**(ii) Categorisation**

The Fund's investments are categorised as follows:

*Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

*Financial liabilities and equity*

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

*Issued units*

The Fund issues units which have a limited life under the Fund's Constitution and are classified as a liability in accordance with *AASB 132 Financial Instruments: Presentation*.

Where the Fund buys back any of its units from unitholders, the consideration paid, including any directly attributable incremental costs are recognised as a reduction in liability attributable to the Fund's unitholders.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST, and accruals are shown exclusive of GST.

**(c) Income tax**

Under current legislation, the Fund is not liable for income tax provided its taxable income is fully distributed to unitholders.

**(d) Critical judgements and significant accounting estimates**

The preparation of financial statements requires the Directors of the Trustee to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

**(e) New accounting standards and interpretations**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

**ACIF PRIORITY FUND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 2: REVENUE**

**(a) Bank interest**

	<b>2023</b>	<b>2022</b>
	\$	\$
Macquarie Bank	2,223	37
	<b>2,223</b>	<b>37</b>

**(b) Other revenue**

	<b>2023</b>	<b>2022</b>
	\$	\$
Other interest	-	14
	<b>-</b>	<b>14</b>

**NOTE 3: INVESTMENT MANAGER FEES**

	<b>2023</b>	<b>2022</b>
	\$	\$
Investment management fees	449,803	502,364
	<b>449,803</b>	<b>502,364</b>

**Investment manager fees**

According to the latest Information Memorandum, the Investment Manager will charge investors management fees as set out below:

- (a) An initial management fee of 4.2% (GST inclusive) of the application amount in the first year of the investor's investment. This fee is paid from the Unit Class within 60 days of the acceptance of an application by the Trustee.
- (b) For the balance of the term of the investor's investment:
  - In any given year where the return does not exceed 10% of the average contributed capital, the Investment Manager will charge a fee of 2% of the amount invested.
  - In any given year where the return of income and or capital does exceed 10% of the average contributed capital, the Investment Manager will charge a fee equal to 20% of the return.

**NOTE 4: TRUSTEE AND ADMINISTRATION FEES**

In accordance with the Information Memorandum of the Fund, the Trustee is entitled to an annual fee of 0.1% (plus GST) of the gross asset value of the Fund, paid monthly in arrears, subject to a minimum fee of \$22,500 (2022: \$22,500) (plus GST).

The Administration Manager of the Fund is entitled to an annual administration fee of up to \$63,299 (2022: \$59,665) (plus GST). This fee is subject to an annual increase of 3% on 1 January each year. The trustee and administration fees for the Fund are allocated between the unit classes based on the respective GAV of each unit class.

All fees which the Trustee and Administration Manager are entitled to shall be paid by the Investment Manager from the fees it receives. Only where the Investment Manager fails to pay the Trustee shall the Trustee be entitled to recover its fees from the Fund.

**ACIF PRIORITY FUND  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5: OTHER EXPENSES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
GST expense (non-claimable)	11,402	12,635
Tax return fees	2,741	1,700
	<u><b>14,144</b></u>	<u><b>14,335</b></u>

**NOTE 6: OTHER COMPREHENSIVE INCOME**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Gain on Investment in ICAM ACIF Lucky Bay 2 Trust	95,800	8,162,612
	<u><b>95,800</b></u>	<u><b>8,162,612</b></u>

**NOTE 7: CASH AND CASH EQUIVALENTS**

**Cash at bank**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Macquarie Bank	98,918	14,621
	<u><b>98,918</b></u>	<u><b>14,621</b></u>

**NOTE 8: SUNDRY DEBTORS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Reduced input tax credit receivable	81,509	68,658
	<u><b>81,509</b></u>	<u><b>68,658</b></u>

**NOTE 9: INVESTMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Investment in ICAM ACIF Lucky Bay 2 Trust	23,782,052	19,087,852
	<u><b>23,782,052</b></u>	<u><b>19,087,852</b></u>

**ACIF PRIORITY FUND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 10: FEES PAYABLE**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Investment manager fees payable	1,066,167	750,000
	<b>1,066,167</b>	<b>750,000</b>

**NOTE 11: OTHER EXPENSES PAYABLE**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Other accrued fees	106,886	75,170
Provision for tax return fees	2,690	1,700
	<b>109,576</b>	<b>76,870</b>

**NOTE 12: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

**(a) Issued units in \$**

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Units</b>	<b>\$</b>	<b>Units</b>	<b>\$</b>
Opening balance	20,300,000	20,300,000	15,000,000	15,000,000
Units issued – applications	5,000,000	5,000,000	5,300,000	5,300,000
<b>Closing balance</b>	<b>25,300,000</b>	<b>25,300,000</b>	<b>20,300,000</b>	<b>20,300,000</b>

As stipulated in the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund.

**(b) Undistributed profit/(loss) attributable to unitholders**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening balance	(1,955,739)	(9,601,703)
Net operating (loss) attributable to unitholders	(461,724)	(516,648)
Fair value profit/(loss) on investment	95,800	8,162,612
<b>Closing balance</b>	<b>(2,513,263)</b>	<b>(1,955,739)</b>

No distributions were payable for the 2023 financial year.

**(c) Capital management**

The Fund regards total equity as capital. The objective of the Fund is to provide unitholders with income distributions and capital growth over the longer term. The Fund aims to achieve this objective mainly through investment exposure to infrastructure assets.

The Fund aims to invest to meet the Fund's investment objectives while maintaining sufficient liquidity to meet its commitments, including unitholder redemptions. The Investment Manager regularly reviews the performance of the Fund, including asset allocation strategies, investment and risk management.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 13: RELATED PARTY TRANSACTIONS**

The Fund's related parties include those described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

**(a) Trustee**

The Trustee of the Fund is Vasco Custodians Pty Ltd.

The Investment Manager is responsible for the payment of the fees of the Trustee and Administration Manager.

**(b) Investment Manager**

The Investment Manager of the Fund is Australia China Investment Fund Pty Ltd.

Fees of \$449,803 (2022: \$502,364) were accrued and payable by the Fund to Australia China Investment Fund Pty Ltd for its role as Investment Manager for the period.

**(c) Administration Manager**

The Administration Manager of the Fund is Vasco Fund Services Pty Limited.

Vasco Fund Services Pty Limited is a related party of the Trustee.

The Investment Manager is responsible for the payment of the fees of the Trustee and Administration Manager.

**(d) Key management personnel**

The Fund does not employ personnel in its own right. However, it has an incorporated Trustee, Vasco Custodians Pty Ltd and an Investment Manager, Australia China Investment Fund Pty Ltd, to manage the activities of the Fund. The Directors of the Trustee and Investment Manager are key management personnel of those corporate entities. No compensation is paid directly by the Fund to Directors or to any of the key management personnel of the Trustee or Investment Manager. Payments made by the Fund to the Trustee and Investment Manager do not specifically include any amounts attributable to the compensation of key management personnel.

**NOTE 14: CONTINGENT LIABILITIES**

There are no contingent liabilities at the end of the period.

**NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE**

As at the date of this report, there have been no events subsequent to the reporting date that require additional disclosure.



**ACIF PRIORITY FUND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 16: FINANCIAL RISK MANAGEMENT**

**(a) Liquidity risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund holds investments in a partially developed port, which are not considered to be assets that are readily realisable. In order to address this risk, the Trustee retains broad discretion to restrict distributions, withdrawals and/or redemptions.

**(b) Infrastructure risk**

Infrastructure risk includes the risk of development and construction of the port. Performance of an investment in the Trust is dependent on asset development in line with projected timetables and on budget. Increased costs or time delays can impact on return on investment, including through a delay in commencement of operations, higher capital costs or debt funding or reduced revenue.

In addition, T-Ports will be undertaking the port development management on behalf of the Trust. If the port operator is ineffective then there will be impacts on revenue, operating expenses and return on investment. Accordingly, investors are exposed to the performance capabilities of T-Ports development management offering. While port operations could be outsourced to established grain port operators as an alternative, this is likely to increase the cost base of the operations beyond the figures modelled and may also have other impacts on grain seller and purchaser dynamics, which again could negatively impact the returns.

**(c) Development risk**

As the Trustee may be making loans to developers for the purposes of undertaking property development, the returns to that developer will be relevant to the ability of the developer to pay the interest and repay the amount borrowed. Developers are subject to additional property related risks including risks associated with cost overruns on one or more aspects of the developments causing the cost to complete to be more than forecast, potentially causing financial distress for the developer (and in some instances, meaning the development cannot be completed) There could be delays due to the fault of the particular developer or other unforeseen events including environmental or regulatory constraints; and other general property related risks.

**(d) General investment risks**

An investment in the Fund is subject to general investment risk which can negatively impact the return to Investors and the value of capital invested. The Trustee does not guarantee the performance of the Fund or the return of capital. The performance of any individual investments in general may be affected by many factors, including consumer and business confidence, inflation, interest rates, taxation, changes in law or a change in Government. The value of Units can fall as well as rise due to circumstances affecting the economy generally, or to other factors which may affect the value of the investments in which the Fund may invest. There may be increases in supply or falls in demand in any property market sector or geographic region. Therefore, there is no guarantee that the Fund will experience capital gains on the disposal of investments or those fluctuations in distributions will not occur.

**ACIF PRIORITY FUND  
WALLAROO INFRASTRUCTURE UNIT CLASS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 17: TRUSTEE DETAILS**

The registered office and the principal place of business of the Trustee are:

Vasco Custodians Pty Ltd

Level 4

99 William Street

Melbourne Victoria 3000

**ACIF PRIORITY FUND  
WALLAROO INFRASTRUCTURE UNIT CLASS**

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Vasco Custodians Pty Ltd:

- (a) The financial statements and notes of ACIF Priority Fund Wallaroo Infrastructure Unit Class are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of its financial position as at 30 June 2023 and its performance for this financial year ended on that date; and
  - (ii) Complying with Australian Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that ACIF Priority Fund Wallaroo Infrastructure Unit Class will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

*Craig Dunstan*

**Craig Dunstan**

Director

19 September 2023