



**ACIF PROSPERITY FUND  
ABI UNIT CLASS**

ABN 82 310 018 388

FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2019

**ACIF PROSPERITY FUND  
ABI UNIT CLASS  
TRUSTEE REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

The Directors of the Trustee, Vasco Investment Managers Limited present their report on the ACIF Prosperity Fund Balancing Investment Unit Class (“the ABI Unit Class” or “the Unit Class”) for the year ended 30 June 2019. This report is for the ABI Unit Class only.

**1. Directors**

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

Craig Mathew Dunstan	(appointed 6 August 2009)
Fiona Jean Dunstan	(appointed 6 August 2009)
Stephen George Hawkins	(appointed 10 May 2009, retired 2 July 2019)
Jonathan William Martin	(appointed 6 August 2009)
Reginald Bancroft	(appointed 2 July 2019)

The Directors have been in office since the establishment of the Fund to the date of this report unless otherwise stated.

**2. Principal Activities**

The principal activities of the ACIF Prosperity Fund are to provide SIV investors with access to a diversified range of SIV compliant investments with attractive returns over the medium to long term. The ACIF Prosperity Fund has three unit classes. The ABI Unit Class is one of the unit classes. The two other unit classes are the Cyan Emerging Companies (ACEC) Unit Class and the Prime Value Emerging Companies (APVEC) Unit Class.

The principal activities of the Unit Class are to invest in the ACIF Balancing Fund which is invested in a range of commercial real estate investments structured to comply with the SIV rules. The Fund was established on 14 April 2016 and issued the first units in the ABI Unit Class on 5 April 2017.

**3. Operating Results**

The operating profit of the Unit Class for the financial year ending 30 June 2019 was \$1,055,392 (2018: 407,049).

**4. Review of Operations**

During the financial year 6,310,817 units have been issued of which none have resulted from the reinvestment of distributions.

During the period since inception the Unit Class has issued 24,312,702 units, including 55 settlor units. Of these settlor units, 25 units have been redeemed. The total units on issue as at 30 June 2019 was 24,312,677.

On 12 April 2019 a new Information Memorandum (IM) was issued in relation to the Fund, which changed the name of the unit class from BIF to ABI.

Vasco Funds Management Pty Limited, the Administration Manager, changed its name to Vasco Fund Services Pty Limited during the year. The Directors of the Administration Manager resolved to change the name to better reflect the activities of the company and also it is in line with industry convention. The ACN and other details remain unchanged.

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

As at 30 June 2019 the Fund's investments were comprised of the following:

Investments	Value \$
ACIF Balancing Fund	22,191,674
<b>Total</b>	<b>22,191,674</b>

**5. Review of Performance**

Unit Class	2019 % p.a.	2018 % p.a.	2017 % p.a.
Ordinary units	(3.52)	16.53	(11.85)

**6. Unit Redemption Prices**

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

	2019 \$	2018 \$
At 30 June	0.9200	1.0002
High during year	1.0000	1.0006
Low during year	0.9200	0.9981

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

**7. Distributions Paid or Recommended**

In accordance with the Information Memorandum of the Fund, distributions are expected to be paid quarterly. Returns payable to investors are expected to be paid in accordance with the terms defined in the Information Memorandum.

The following distributions were paid or payable for the period to 30 June 2019:

Period	Distributions payable (CPU)
1 July – 30 September 2018	1.1342
1 October – 31 December 2018	1.1342
1 January – 31 March 2019	1.1342
1 April – 30 June 2019	1.1342

The total distributions declared for the financial year were \$881,244 (2018: \$407,285)

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**8. Applications Held**

At 30 June 2019, the value of pending applications was nil.

**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.

The Fund's Constitution also prohibits investors from withdrawing any amount from the Fund until the expiration of 4 years from the date of their investment. Withdrawal requests that can be satisfied will be done so within 60 days of receipt of requests. Only the proceeds from realisation of assets of ABI Unit Class will be used to satisfy withdrawal requests from its investors.

Investors should also note that their Units may be redeemed by the Trustee in certain circumstances specified in the Constitution, including if the Trustee determines, in its sole and absolute discretion that it would be in the best interests of Investors to do so.

**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's assets at the end of the reporting period was \$22,787,008 (2018: \$ 18,310,676). The Net Asset Value at the end of the reporting period was \$22,368,758 (2018: \$ 18,003,537).

**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. Future Developments**

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

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**16. 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.

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

Fees of \$18,982 (plus GST) were accrued and paid by the Unit Class to Trustee for the period.

Fees of \$17,370 (plus GST) were accrued and paid by the Unit Class to the Administration Manager for the period.

Fees of \$543,078 (plus GST) were accrued and paid by the Unit Class to the Investment Manager for the period.

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

At 30 June 2019, the Investment Manager held 30 settlor units in the Unit Class.

**19. Interests Issued in the Fund**

	<b>2019</b>	<b>2018</b>
Opening Unit Balance	18,001,830	3,000,040
Units issued - applications	6,310,817	15,001,800
Units redeemed	-	(10)
<b>Closing Unit Balance</b>	<b><u>24,312,647</u></b>	<b><u>18,001,830</u></b>

**20. Number of Interests on Issue**

At 30 June 2019, the number of units on issue in the Unit Class was 24,312,647 (2018: 18,001,830).

**21. 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.

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**22. 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 Investment Managers Limited by:

A handwritten signature in black ink, appearing to read 'Craig Mathew Dunstan', with a long horizontal line extending to the right.

**Craig Mathew Dunstan**

Director

Date: 2 October 2019

**ACIF PROSPERITY FUND**  
**ABI UNIT CLASS**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>Revenue and other income</b>			
Bank interest	2 (a)	588	380
Distribution income	2 (b)	1,655,953	563,834
<b>Total revenue and other income</b>		<b>1,656,541</b>	<b>564,214</b>
<b>Expenses</b>			
Performance fees	3	543,078	121,169
Trustee fees	4	18,982	16,321
Administration fees	4	17,370	16,281
Other expense	5	21,719	3,274
<b>Total expenses</b>		<b>601,149</b>	<b>157,045</b>
<b>Profit before income tax</b>		<b>1,055,392</b>	<b>407,169</b>
Income tax expense		-	120
<b>Net profit attributed to unitholders</b>		<b>1,055,392</b>	<b>407,049</b>
<b>Other comprehensive income</b>			
Fair value profit or (loss) on investments	6	(1,808,927)	378,601
<b>Total other comprehensive income</b>		<b>(1,808,927)</b>	<b>378,601</b>
Distributions expense		881,244	407,285
<b>Total comprehensive income for the year attributable to unitholders net of distributions</b>		<b>(1,634,779)</b>	<b>378,365</b>

The accompanying notes form part of these financial statements

**ACIF PROSPERITY FUND**  
**ABI UNIT CLASS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	7 (a)	7,696	59,900
Sundry debtor	7 (b)	10,000	15
Accrued investment income	8 (b)	577,638	250,160
<b>Total current assets</b>		<b>595,334</b>	<b>310,075</b>
<b>Non-current assets</b>			
Investment assets	8 (a)	22,191,674	18,000,601
<b>Total non-current assets</b>		<b>22,191,674</b>	<b>18,000,601</b>
<b>Total assets</b>		<b>22,787,008</b>	<b>18,310,676</b>
<b>Liabilities</b>			
Fees payable	9	164,737	125,539
Other administration expenses payable	10	(7,570)	1,829
Distributions payable	11 (b)	261,083	179,771
<b>Total liabilities</b>		<b>418,250</b>	<b>307,139</b>
<b>Net assets</b>		<b>22,368,758</b>	<b>18,003,537</b>
<b>Represented by:</b>			
Issued units	11 (a)	24,000,030	18,000,030
Undistributed profit/(loss) attributable to unitholders	11 (b)	(1,631,272)	3,507
<b>Net assets attributable to unitholders</b>		<b>22,368,758</b>	<b>18,003,537</b>

The accompanying notes form part of these financial statements



**ACIF PROSPERITY FUND  
ABI UNIT CLASS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

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 PROSPERITY FUND**  
**ABI UNIT CLASS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019	2018
		\$	\$
<b>Cash flows from operating activities</b>			
Interest received		588	380
Investment income received		1,328,475	343,182
Payments to suppliers		(597,638)	(37,343)
Tax received/(paid)		40,359	(22,105)
Other fees paid		(10,000)	(2,824)
Net cash provided by/(used in) operating activities		<b>761,784</b>	<b>281,290</b>
<b>Cash flows from investing activities</b>			
Payment for investment assets		(6,000,000)	(15,000,000)
Net cash provided by/ (used in) investing activities		<b>(6,000,000)</b>	<b>(15,000,000)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of units		6,000,000	15,000,000
Distributions paid		(813,170)	(221,400)
Proceeds from asset segregation		(818)	-
Net cash provided by/ (used in) financing activities		<b>5,186,012</b>	<b>14,778,600</b>
Net increase/ (decrease) in cash and cash equivalents		(52,204)	59,890
Cash and cash equivalents at the beginning of year		59,900	10
<b>Cash and cash equivalents at the end of year</b>	7 (a)	<b>7,696</b>	<b>59,900</b>

The accompanying notes form part of these financial statements

**ACIF PROSPERITY FUND**  
**ABI UNIT CLASS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The financial report is for the ACIF Prosperity Fund Balancing Investment Unit Class (‘the ABI Unit Class’ or ‘the Unit Class’) The Fund is an unregistered managed investment scheme established and domiciled in Australia. The Trustee of the Fund is Vasco Investment Managers Limited, and Australia China Investment Fund Pty Ltd is appointed as 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 Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*).

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 Prosperity Fund Balancing Investment 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 2 October 2019.

**(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.

**(i) Fair value estimation**

Investment properties are carried at values that are based on assumptions and estimates. If any of these assumptions or estimates were not correct this could have a material impact on the carrying amounts in the statement of financial position.

**ACIF PROSPERITY FUND**  
**ABI UNIT CLASS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**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 recognized 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 equity in accordance with *AASB 132 Financial Instruments: Presentation* as amended by *AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation*.

Should the terms or conditions of the units change such that they no longer comply with the criteria for classification as equity in the revised *AASB 132*, the units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

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 equity attributable to the Fund's unitholders.

**ACIF PROSPERITY FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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) Comparatives**

As the ACIF Prosperity Fund Balancing Investment Unit Class commenced operations in April 2017, there are comparative numbers for the year ending 30 June 2018.

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

A number of new accounting standards and interpretation have been published, and are mandatory for the 30 June 2019 reporting period, having come into effect on the 1 January 2018:

(i) *AASB9 Financial Instruments*

Broadly, this standard requires all financial instruments to be measured at fair value unless the criteria for amortised cost are met.

The introduction of the standard has not changed the measurement basis of any of the Fund's current financial instruments.

(ii) *AASB 15: Revenue from contracts with customers*

Broadly, this standard relates to the recognition of revenue from contracts for goods and services, including construction contracts.

While this standard does not relate to a significant portion of the Fund's holdings, to the extent that it does apply, it is not expected to change the measurement basis of any of the Fund's current financial instruments, or the valuation of the Fund's assets.

There are no pending standards that are relevant to the Fund in the current or future reporting periods as at the issue date of this report.

**ACIF PROSPERITY FUND  
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**NOTE 2: REVENUE**

The Funds revenue may be analysed under the following categories

**(a) Bank interest**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Bank interest	588	380
	<u><b>588</b></u>	<u><b>380</b></u>

Cash on deposit is held in a Macquarie Bank cash management account (AUD). The interest rate paid by Macquarie to 6 June 2019 was 1.30% p.a. paid monthly on balances greater than \$5,000. From 7 June 2019 the interest rate has been 1.05%. The Fund has been able to obtain a higher return from Macquarie, amounting to an extra 0.25% p.a.

**(b) Distribution income**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Investment in ACIF Balancing Fund		
ACIF Balancing Fund declared a distribution of \$0.017381 per unit on 30 September 2018, a distribution of \$0.019878 per unit on 31 December 2018, a distribution of \$0.019251 per unit on 31 March 2019 and a distribution of \$0.02376 per unit on 30 June 2019.	1,655,953	563,834
	<u><b>1,655,953</b></u>	<u><b>563,834</b></u>

**NOTE 3: PERFORMANCE FEES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Performance fees	543,078	121,169
	<u><b>543,078</b></u>	<u><b>121,169</b></u>

In accordance with the Information Memorandum of the Fund, the Investment Manager will charge a performance fee from the ABI Unit Class equal to any return in excess of 4.5 % per annum after payment of all ABI Unit Class expenses and after any previous under-performance has been recovered.

**NOTE 4: TRUSTEE AND ADMINISTRATION FEES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trustee fees	18,982	16,321
Administration fees	17,370	16,281
	<u><b>36,352</b></u>	<u><b>32,602</b></u>

**ACIF PROSPERITY FUND  
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**NOTE 4: TRUSTEE AND ADMINISTRATION FEES (continued)**

In accordance with the Information Memorandum, Vasco Investment Managers Limited as the Trustee of the Fund 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 \$25,000 (plus GST).

Vasco Fund Services Pty Limited as the Administration Manager of the Fund is entitled to an annual administration fee of up to \$26,523 (plus GST) increasing by 3% per annum on an annual basis. The Administration Manager was paid an establishment fee of \$19,500 (plus GST).

The trustee and administration fees for the Fund are allocated between the unit classes based on the GAV from the previous month of each respective unit class.

**NOTE 5: OTHER EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Tax return fees	3,124	1,476
GST expense (non-claimable)	17,820	1,194
Other administration expenses	775	604
	<u><b>21,719</b></u>	<u><b>3,274</b></u>

**NOTE 6: OTHER COMPREHENSIVE INCOME**

As at 30 June 2019 the Fund's other comprehensive income comprised of:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Fair value gain/(loss) on investment in ACIF Balancing Fund	(1,808,927)	378,601
	<u><b>(1,808,927)</b></u>	<u><b>378,601</b></u>

**NOTE 7: CASH AND CASH EQUIVALENTS**

**(a) Cash at bank**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Macquarie Bank	7,696	59,900
	<u><b>7,696</b></u>	<u><b>59,900</b></u>

**(b) Sundry debtor**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Loan to ACIF Balancing Fund	10,000	15
	<u><b>10,000</b></u>	<u><b>15</b></u>

The ABI Unit Class provided a loan amount of \$10,000 to the ACIF Balancing Fund to manage daily operations. This amount will be paid at the end of the term of the Fund.

**ACIF PROSPERITY FUND  
ABI UNIT CLASS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 8: INVESTMENTS**

**(a) Available for sale investments**

As at 30 June 2019 the Fund's investments comprised of:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Investment in ACIF Balancing Fund	22,191,674	18,000,601
	<u><b>22,191,674</b></u>	<u><b>18,000,601</b></u>

**(b) Accrued investment income**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Investment in ACIF Balancing Fund		
ACIF Balancing Fund declared a distribution of \$0.017381 per unit on 30 September 2018, a distribution of \$0.019878 per unit on 31 December 2018, a distribution of \$0.019251 per unit on 31 March 2019 and a distribution of \$0.02376 per unit on 30 June 2019.	1,655,953	563,834
	<u>1,655,953</u>	<u>563,834</u>
Less distributions received	(1,078,315)	(313,674)
<b>Total accrued distributions</b>	<u><b>577,638</b></u>	<u><b>250,160</b></u>

**NOTE 9: FEES PAYABLE**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trustee fees payable	1,913	1,532
Administration fees payable	1,476	2,838
Performance fees payable	161,348	121,169
	<u><b>164,737</b></u>	<u><b>125,539</b></u>

**NOTE 10: OTHER EXPENSES PAYABLE**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
RITC receivable	(25,543)	(201)
Other accrued fees	15,673	554
Provision for tax return fee	2,300	1,476
	<u><b>(7,570)</b></u>	<u><b>1,829</b></u>



**ACIF PROSPERITY FUND  
ABI UNIT CLASS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 11: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Opening balance	18,000,030	3,000,030
Redemptions	-	(25)
Units issued – applications	6,000,000	15,000,025
<b>Closing balance</b>	<b><u>24,000,030</u></b>	<b><u>18,000,030</u></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>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Opening balance	3,507	(374,858)
Net profit/(loss) attributable to unitholders	1,055,392	407,049
Fair value profit/(loss) on investment	(1,808,927)	378,601
Distributions paid	(620,161)	(227,514)
Distributions payable	(261,083)	(179,771)
<b>Closing balance</b>	<b><u>(1,631,272)</u></b>	<b><u>3,507</u></b>

Withholding taxes applicable to the distributions payable during the 2019 financial year were \$51,896. Total distributions payable for the financial year were \$881,244.

**(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 investing in a diversified range of SIV compliant investments with an attractive return over the medium to long term.

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.

**NOTE 12: 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.

**ACIF PROSPERITY FUND  
ABI UNIT CLASS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12: RELATED PARTY TRANSACTIONS (continued)**

**(a) Trustee**

The Trustee of the Fund is Vasco Investment Managers Limited.

Fees of \$18,982 (plus GST) were accrued and paid by the Unit Class to Vasco Investment Managers Limited for its role as Trustee for the period, of which \$1,044 is claimable by the Unit Class as RITC.

As at 30 June 2019, the Unit Class was the sole investor in the ACIF Balancing Fund. The Trustee of the sub-fund is DHF Investment Managers Pty Ltd. DHF Investment Managers Pty Ltd is a related party to the Trustee.

**(b) Investment Manager**

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

Performance fees of \$543,078 (plus GST) were accrued and paid by the Fund to the Investment Manager for the period, of which \$40,731 is claimable by the Fund as RITC.

**(c) Administration Manager**

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

Vasco Funds Management Pty Limited, the Administration Manager, changed its name to Vasco Fund Services Pty Limited during the year. The Directors of the Administration Manager resolved to change the name to better reflect the activities of the company and also it is in line with industry convention. The ACN and other details remain unchanged.

Administration fees of \$17,370 (plus GST) were accrued and paid by the Unit Class to Vasco Fund Services Pty Limited for its role as Administration Manager of the Unit Class, of which \$1,303 is claimable by the Unit Class as RITC.

**(d) Key management personnel**

The Fund does not employ personnel in its own right. However, it has an incorporated Trustee, Vasco Investment Managers Limited, 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 13: CONTINGENT LIABILITIES**

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

**NOTE 14: 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 PROSPERITY FUND  
ABI UNIT CLASS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 15: FINANCIAL RISK MANAGEMENT**

**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 sub-fund which invests in unlisted funds that hold assets in property and infrastructure, 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.

**NOTE 16: TRUSTEE DETAILS**

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

Vasco Investment Managers Limited

Level 5

488 Bourke Street

Melbourne Victoria 3000

**ACIF PROSPERTY FUND  
ABI UNIT CLASS**

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Australia China Investment Fund Pty Ltd:

- (a) The financial statements and notes of ACIF Prosperity Fund ABI 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 2019 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 Prosperity Fund ABI 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 Mathew Dunstan**

Director

2 October 2019