



**ACIF PROSPERITY FUND
ABI UNIT CLASS**

ABN 82 310 018 388

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021

**ACIF PROSPERITY FUND
ABI UNIT CLASS
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

The Directors of the Trustee, Vasco Custodians Pty Ltd 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 2021. This report is for the ABI Unit Class only.

Effective 1 June 2021, Vasco Trustees Limited retired as Trustee and appointed Vasco Custodians Pty Ltd as Trustee of the Fund.

1. Directors of Vasco Trustees Limited for the period 1 July 2020 to 1 June 2021

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

Craig Mathew Dunstan

Fiona Jean Dunstan (resigned 31 December 2020)

Jonathan Martin

Reginald Bancroft

Directors of Vasco Custodians Pty Ltd for the period 1 June 2021 to 30 June 2021

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 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 2021 was \$1,553,539 (2020: 1,151,418).

4. Review of Operations

During the financial year 15,829,864 units have been issued of which none have resulted from the reinvestment of distributions.

During the period since inception the Unit Class has issued 43,273,081 units, including 55 settlor units. Of these settlor units, 25 units have been redeemed. The total units on issue as at 30 June 2021 was 43,273,056.

Effective 1 June 2021 due to an internal restructure within the Vasco group of companies the Trustee of the Fund was changed from Vasco Trustees Limited to Vasco Custodians Pty Ltd.

**ACIF PROSPERITY FUND
ABI UNIT CLASS
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

As at 30 June 2021 the Fund's investments were comprised of the following:

Investments	Value \$
ACIF Balancing Fund	41,482,289
Total	41,482,289

5. Review of Performance

Unit Class	2021 % p.a.	2020 % p.a.	2019 % p.a.
Ordinary units	6.09	8.02	(3.52)

6. Unit Redemption Prices

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

	2021 \$	2020 \$
At 30 June	0.9639	0.9488
High during year	0.9639	0.9665
Low during year	0.9488	0.9160

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 2021:

Period	Distributions
1 July – 30 September 2020	\$0.0001232877 per unit per day
1 October – 31 December 2020	\$0.0001232877 per unit per day
1 January – 31 March 2021	\$0.0001232877 per unit per day
1 April – 30 June 2021	\$0.0001232877 per unit per day

The total distributions declared for the financial year were \$1,553,539 (2020: \$1,151,418).

8. Applications Held

At 30 June 2021, the value of pending applications was nil.

**ACIF PROSPERITY FUND
ABI UNIT CLASS
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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 \$42,475,055 (2020: \$27,146,343). The Net Asset Value at the end of the reporting period was \$41,712,204 (2020: \$26,235,247).

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.

**ACIF PROSPERITY FUND
ABI UNIT CLASS
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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 \$10,833 (plus GST) were accrued and paid by the Unit Class to the Trustee for the period.

Fees of \$12,029 (plus GST) were accrued and paid by the Unit Class to the Administration Manager for the period.

Fees of \$1,570,954 (plus GST) were accrued and payable by the Fund to the Investment Manager for the period.

As per the Information Memorandum, The Investment Manager will also be remunerated through being paid establishment fees or referral fees by parties with which the ABIUC may deal.

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

At 30 June 2021, the Investment Manager held 30 settlor units in the Unit Class.

19. Interests in the Fund

The movement of units on issue in the Fund during the year is set out in Note 11 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the balance sheet 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.

**ACIF PROSPERITY FUND
ABI UNIT CLASS
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

Craig Dunstan

Craig Dunstan

Director

Date: 22 December 2021

ACIF PROSPERITY FUND
ABI UNIT CLASS
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Revenue and other income			
Bank interest	2 (a)	648	2,488
Distribution income	2 (b)	3,222,673	2,517,200
Total revenue and other income		3,223,321	2,519,688
Expenses			
Performance fees	3	1,570,954	1,287,964
Trustee & administration fees	4	53,369	42,956
Other expenses	5	45,459	37,350
Total expenses		1,669,782	1,368,270
Net profit attributed to unitholders		1,553,539	1,151,418
Other comprehensive income			
Fair value profit or (loss) on investments	6	319,127	866,489
Total other comprehensive income		319,127	866,489
Distribution expense		1,553,539	1,151,418
Total comprehensive income for the year attributable to unitholders net of distributions		319,127	866,489

The accompanying notes form part of these financial statements

ACIF PROSPERITY FUND
ABI UNIT CLASS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	7 (a)	179,189	154,574
Sundry debtor	7 (b)	10,000	10,000
Accrued investment income	8 (b)	803,577	923,606
Total current assets		992,766	1,088,180
Non-current assets			
Investment assets	8 (a)	41,482,289	26,058,163
Total non-current assets		41,482,289	26,058,163
Total assets		42,475,055	27,146,343
Liabilities			
Fees payable	9	322,262	626,353
Other expenses payable	10	(21,369)	(22,305)
Distributions payable	11 (b)	461,957	307,048
Total liabilities		762,850	911,096
Net assets		41,712,205	26,235,247
Represented by:			
Issued units	11 (a)	42,157,861	27,000,030
Undistributed profit/(loss) attributable to unitholders	11 (b)	(445,656)	(764,783)
Net assets attributable to unitholders		41,712,205	26,235,247

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 2021**

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 2021**

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Interest received		648	2,488
Investment income received		3,342,702	2,171,231
Payments to suppliers		(2,092,444)	(934,424)
Other fees paid		-	-
Net cash provided by/(used in) operating activities		1,250,906	1,239,295
Cash flows from investing activities			
Payment for investment assets		(15,000,000)	(3,000,000)
Net cash provided by/ (used in) investing activities		(15,000,000)	(3,000,000)
Cash flows from financing activities			
Proceeds from issue of units		15,000,000	3,000,000
Distributions paid		(1,226,290)	(1,092,417)
Net cash provided by/ (used in) financing activities		13,773,710	1,907,583
Net increase/ (decrease) in cash and cash equivalents		24,616	146,878
Cash and cash equivalents at the beginning of year		154,574	7,696
Cash and cash equivalents at the end of year	7 (a)	179,190	154,574

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 2021

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 Custodians Pty Ltd, 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*).

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.

(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 PROSPERITY FUND
ABI UNIT CLASS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 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.

ACIF PROSPERITY FUND
ABI UNIT CLASS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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 2020 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 2021, 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 PROSPERITY FUND
ABI UNIT CLASS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 2: REVENUE

The Funds revenue may be analysed under the following categories

(a) Bank interest

	2021	2020
	\$	\$
Bank interest	648	2,488
	<u>648</u>	<u>2,488</u>

(b) Distribution income

	2021	2020
	\$	\$
Investment in ACIF Balancing Fund	3,222,673	2,517,200
	<u>3,222,673</u>	<u>2,517,200</u>

NOTE 3: PERFORMANCE FEES

	2021	2020
	\$	\$
Performance fees	1,570,971	1,287,964
	<u>1,570,971</u>	<u>1,287,964</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

	2021	2020
	\$	\$
Trustee fees	34,119	24,913
Administration fees	19,250	18,043
	<u>53,369</u>	<u>42,956</u>

In accordance with the Information Memorandum, Vasco Custodians Pty Ltd 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 \$28,138 (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.

**ACIF PROSPERITY FUND
ABI UNIT CLASS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 5: OTHER EXPENSES

	2021	2020
	\$	\$
Tax return fees	2,500	2,500
GST expense (non-claimable)	41,709	33,925
Other administration expenses	1,250	925
	<u>45,459</u>	<u>37,350</u>

NOTE 6: OTHER COMPREHENSIVE INCOME

As at 30 June 2021 the Fund's other comprehensive income comprised of:

	2021	2020
	\$	\$
Fair value gain/(loss) on investment in ACIF Balancing Fund	319,127	866,489
	<u>319,127</u>	<u>866,489</u>

NOTE 7: CASH AND CASH EQUIVALENTS

(a) Cash at bank

	2021	2020
	\$	\$
Macquarie Bank Operating Account	179,189	154,574
	<u>179,189</u>	<u>154,574</u>

(b) Sundry debtor

	2021	2020
	\$	\$
Loan to ACIF Balancing Fund	10,000	10,000
	<u>10,000</u>	<u>10,000</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 2021

NOTE 8: INVESTMENTS

(a) Available for sale investments

As at 30 June 2021 the Fund's investments comprised of:

	2021	2020
	\$	\$
Investment in ACIF Balancing Fund	41,482,289	26,058,163
	<u>41,482,289</u>	<u>26,058,163</u>

(b) Accrued investment income

	2021	2020
	\$	\$
Beginning Balance	923,606	577,638
Investment in ACIF Balancing Fund		
ACIF Balancing Fund declared distributions	3,222,673	2,517,200
	<u>4,146,279</u>	<u>3,094,838</u>
Less distributions received	(3,342,702)	(2,171,232)
Total accrued distributions	<u>803,577</u>	<u>923,606</u>

NOTE 9: FEES PAYABLE

	2021	2020
	\$	\$
Trustee fees payable	3,453	2,251
Administration fees payable	1,617	1,537
Performance fees payable	317,192	622,565
	<u>322,262</u>	<u>626,353</u>

NOTE 10: OTHER EXPENSES PAYABLE

	2021	2020
	\$	\$
RITC payable (receivable)	(65,382)	(99,695)
Other accrued fees	32,446	61,855
Provision for tax return fee	2,500	2,500
Withholding tax payable	9,067	13,035
	<u>(21,369)</u>	<u>(22,305)</u>

ACIF PROSPERITY FUND
ABI UNIT CLASS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

(a) Issued units

	2021	2021	2020	2020
	Units	\$	Units	\$
Opening balance	27,443,191	27,000,030	24,312,647	24,000,030
Redemptions	-	-	-	-
Units issued – applications	15,829,865	15,157,831	3,130,544	3,000,000
Closing balance	43,273,056	42,157,861	27,443,191	27,000,030

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

	2021	2020
	\$	\$
Opening balance	(764,783)	(1,631,272)
Net profit/(loss) attributable to unitholders	1,553,539	1,151,418
Fair value profit/(loss) on investment	319,127	866,489
Distributions paid	(1,091,582)	(844,370)
Distributions payable	(461,957)	(307,048)
Closing balance	(445,656)	(764,783)

Total distributions declared and payable for the financial year totalled \$1,553,539.

(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.

ACIF PROSPERITY FUND
ABI UNIT CLASS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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.

(a) Trustee

The Trustee of the Fund is Vasco Custodians Pty Ltd.

Fees of \$34,102 (plus GST) were accrued and paid by the Unit Class to Vasco Custodians Pty Ltd for its role as Trustee for the period, of which \$1,876 is claimable by the Unit Class as RITC.

As at 30 June 2021, 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 \$1,570,971 (plus GST) were accrued and paid by the Fund to the Investment Manager for the period, of which \$117,823 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.

Administration fees of \$19,250 (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 \$1,444 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 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 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 2021**

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 Custodians Pty Ltd

Level 4

99 William Street

Melbourne Victoria 3000

**ACIF PROSPERTY FUND
ABI UNIT CLASS**

DIRECTORS' DECLARATION

In the opinion of the Directors of Vasco Custodians 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 2021 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 Dunstan

Craig Dunstan

Director

22 December 2021