

**Riparian Water Fund Master Trust**

**ABN 83 736 946 217**

**Annual Report**

For the financial year ended 30 June 2023

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### Directors' Report

The directors of Pinnacle Fund Services Limited (ACN 082 494 362) (the "Trustee"), the trustee of Riparian Water Fund Master Trust (ABN 83 736 946 217) (the "Fund"), present their report together with the financial statements of the Fund.

The financial statements cover the financial year ended 30 June 2023.

### Trustee

The registered office and principal place of business of the Trustee is Level 19, 307 Queen Street, Brisbane, NSW 4000.

### Information about the Directors

The names of the directors of the Trustee who held office during the reporting period and up to the date of this report are:

<b>Name</b>	<b>Title</b>
Calvin Kwok	Director
Ian Macoun	Director
Andrew Chambers	Director (appointed as a director on 6 February 2023)
Alex Ihlenfeldt	Director (resigned as a director on 6 February 2023)
Adrian Whittingham	Director (resigned as a director on 6 December 2022)

This report is made in accordance with a resolution of the directors.

### Principal Activities

The Fund is an unregistered wholesale managed investment scheme, constituted and domiciled in Australia. The investment manager of the Fund is Riparian Capital Partners Pty Ltd (ABN 80 630 179 752) (the "Investment Manager").

The principal activity of the Fund is to provide investor partners access to investment opportunities across Australia's globally unique water markets.

The Fund operates a focused water investment strategy, leveraging networks and sector expertise to own and invest in a diversified portfolio of Australian water entitlements.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

### Distributions

In respect of the financial year ended 30 June 2023, the fund paid distributions to unitholders totalling \$1,901,754 (2022: \$1,783,112). As at 30 June 2023, distributions payable was \$940,390 (2022: \$903,437).

### Directors' Report (continued)

#### Principal Activities (continued)

##### ***Value of Assets and Units Issued***

For the purpose of statutory reporting the total value of the Fund's NAV at 30 June 2023 was \$148,262,814 (2022: \$100,055,238). The total number of units on issue as at 30 June 2023 was 131,588,969 (2022: 88,351,973). For the purposes of unit pricing the Funds NAV at 30 June 2023 was \$148,461,656 (2022: \$100,098,053). The difference is attributable to adopting a cost model in measuring Water Entitlements in the financial report.

#### Review of Operations

##### ***Results***

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of the financial statements. The profit attributable to unitholders for the financial year ended 30 June 2023 was \$266,564 (2022: \$7,102,654).

##### ***Fees Paid To and Interests Held in the Fund by the Trustee or its Associates***

Fees paid to the Trustee and its associates out of Fund property during the year are disclosed in Note 15 to the financial statements.

No fees were paid out of Fund property to the directors of the Trustee during the year.

The number of interests in the Fund held by the Trustee or its associates as at the end of the financial year is nil.

##### ***Significant changes in state of affairs***

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund during the year.

##### ***Subsequent Events***

Other than as noted above, there has been no matter or circumstances occurring subsequent to the end of the financial year ended 30 June 2023 that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial periods.

##### ***Likely Developments***

The Fund will continue to be managed in accordance with the Trust Deed and investment objectives as detailed in the Fund's Information Memorandum.

**Directors' Report (continued)**

***Environmental Regulation and Performance***

Other than as disclosed elsewhere, the operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory.

There have been no known significant breaches of any other environmental requirements applicable to the Fund.

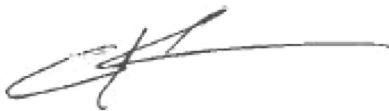
***Indemnification of Directors, Officers and Auditors***

During or since the financial year, the Fund has not indemnified or made a relevant agreement to indemnify an officer of the Trustee or auditor of the Fund or any related corporate body against a liability incurred by an officer of the Trustee or auditor of the Fund. In addition, the Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Trustee or auditor of the Fund.

***Auditor's Independence Declaration***

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

On behalf of the directors of the Trustee, Pinnacle Fund Services Limited.



Calvin Kwok

Director

Sydney

21 September 2023



## Auditor's Independence Declaration

As lead auditor for the audit of Riparian Water Fund Master Trust for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Ben Woodbridge'.

Ben Woodbridge  
Partner  
PricewaterhouseCoopers

Brisbane  
21 September 2023

## Riparian Water Fund Master Trust

### Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Notes	30 June 2023 \$	30 June 2022 \$
<b>Revenue</b>			
Revenue		1,584,448	1,399,561
Less: Cost of sales		(3,604)	(328,100)
<b>Gross profit</b>		<b>1,580,844</b>	<b>1,071,461</b>
<b>Other income</b>			
Bank interest		61,198	381
Carryover rental income		1,109,110	735,193
Lease income		380,648	88,243
Unrealised gain (loss) - water entitlements		(163,335)	7,122,888
Unrealised gain (loss) - water rights (lease)		293,366	(262,074)
<b>Total other income</b>		<b>1,680,987</b>	<b>7,684,631</b>
<b>Total income</b>		<b>3,261,831</b>	<b>8,756,092</b>
<b>Expenses</b>			
Administration expenses	4	1,510,833	1,114,813
Borrowing costs		785,894	45,222
Operating expenses	5	600,289	459,756
Professional fees		98,251	33,647
<b>Total expenses</b>		<b>2,995,267</b>	<b>1,653,438</b>
<b>Profit for the year</b>		<b>266,564</b>	<b>7,102,654</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>266,564</b>	<b>7,102,654</b>

*The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

# Riparian Water Fund Master Trust

## Statement of Financial Position as at 30 June 2023

	Notes	30 June 2023 \$	30 June 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	12(a)	2,294,493	908,902
Inventory	6	27,440	3,604
Prepayments and deposits	7	225,084	750,620
Other current assets	8	1,132,727	776,014
<b>Total current assets</b>		<b>3,679,744</b>	<b>2,439,140</b>
<b>Non-current assets</b>			
Intangible assets	9	167,735,830	104,693,456
<b>Total non-current assets</b>		<b>167,735,830</b>	<b>104,693,456</b>
<b>Total assets</b>		<b>171,415,574</b>	<b>107,132,596</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued expenses	10	1,260,095	1,426,526
Lease income paid in advance		216,861	141,213
Other current liabilities	11	74,998	-
<b>Total current liabilities</b>		<b>1,551,954</b>	<b>1,567,739</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	13	21,600,806	5,509,619
<b>Total non-current liabilities</b>		<b>21,600,806</b>	<b>5,509,619</b>
<b>Total liabilities</b>		<b>23,152,760</b>	<b>7,077,358</b>
<b>Net assets attributable to unitholders</b>		<b>148,262,814</b>	<b>100,055,238</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



## Riparian Water Fund Master Trust

### Statement of Changes in Net Assets Attributable to Unitholders for the year ended 30 June 2023

	\$
<b>Balance at 1 July 2022</b>	<b>100,055,238</b>
Units issued during the year	49,842,767
Total comprehensive income for the year	266,564
Return of capital	(1,561,830)
Distributions for the year	(339,925)
<b>Balance at 30 June 2023</b>	<b>148,262,814</b>
	\$
<b>Balance as at 1 July 2021</b>	<b>27,685,491</b>
Units issued during the year	67,050,206
Total comprehensive income for the year	7,102,655
Return of capital	(1,305,992)
Distributions for the year	(477,122)
<b>Balance as at 30 June 2022</b>	<b>100,055,238</b>

*The above Statement of Changes in Net Assets Attributable to Unitholders should be read in conjunction with the accompanying notes.*

## Riparian Water Fund Master Trust

### Statement of Cash Flows for the year ended 30 June 2023

	Notes	30 June 2023 \$	30 June 2022 \$
<b>Cash flows from operating activities</b>			
Purchase of water assets		(62,410,421)	(80,951,759)
Proceeds from sales of water rights/allocations		1,755,613	2,034,352
Interest income received		61,198	381
Lease income received		380,648	88,243
Payments to suppliers		(2,518,404)	(1,942,005)
<b>Net cash used in operating activities</b>	<b>12(b)</b>	<b>(62,731,366)</b>	<b>(80,770,788)</b>
<b>Cash flows from financing activities</b>			
Proceeds from units issued		49,842,767	67,050,205
Proceeds from loan		16,091,187	4,695,025
Distributions paid to unitholders		(1,816,997)	(928,746)
<b>Net cash provided by financing activities</b>		<b>64,116,957</b>	<b>70,816,484</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,385,591</b>	<b>(9,954,304)</b>
Cash and cash equivalents at the beginning of the year		908,902	10,863,206
<b>Cash and cash equivalents at the end of the year</b>	<b>12(a)</b>	<b>2,294,493</b>	<b>908,902</b>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## Riparian Water Fund Master Trust

### Notes to the Financial Statements

#### 1. General Information

This financial report has been prepared for Riparian Water Fund Master Trust (ABN 83 736 946 217) (the "Fund").

The financial statements cover the financial year ended 30 June 2023.

The Fund was constituted on 19 September 2019 and is an unregistered, wholesale managed investment scheme structured as a unit trust. The Fund commenced operation on 1 December 2019.

The Trustee of the Fund is Pinnacle Fund Services Limited (ACN 082 494 362) (the "Trustee"). The Trustee's registered office and principal place of business is Level 19, 307 Queen Street, Brisbane QLD 4000.

The Fund owns permanent water rights across the states of New South Wales, Victoria, South Australia and Queensland. The permanent water rights generate rental income as well as income from trade of water allocation attached to the water entitlements for the Fund in order for the Fund to meet its operational requirement.

The financial statements were authorised for issue by the directors on 21 September 2023.

#### 2. Adoption of New and Revised Accounting Standards and Interpretations

##### **Standards and interpretations affecting amounts reported in the current year**

There were no new accounting standards adopted during the year which had a significant impact on the reported position and performance of the Fund.

##### **Standards and Interpretations issued but not yet mandatory**

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

#### 3. Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

##### **(a) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures. Riparian Water Fund Master Trust is a profit unit trust for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measure of assets and liabilities except where otherwise stated. All amounts are presented in Australian Dollars, unless otherwise noted.

**Notes to the Financial Statements (continued)**

**3. Significant Accounting Policies (continued)**

***(b) Going Concern Basis***

This financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realization of assets and the settlement of liabilities in the normal course of business. In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months cannot be reliably determined.

***(c) Revenue and Income Recognition***

Water allocations are derived from the water entitlements held by the Trustee based on seasonal determinations made by the relevant water authority. Income from the sale of water allocation is recognised at the point in time the legal ownership of the water allocation is transferred to the purchaser. The income recognised is determined based on the volume (measured in mega-litres) transferred multiplied by the rate contracted with the purchaser.

Revenue from water entitlements is recognised when received from leasing of the water entitlement.

Carryover rental income is derived from the entitlement holder 'renting' out its unused carryover space. Certain types of water entitlements can allow unused Allocation water to be 'carried over' from one water year to another. Carryover refers to arrangements that allow water entitlement holders to retain their unused water allocation from one irrigation season to the next irrigation season. In a carryover Rental contract a party with excess Allocation water ('Placer') rents carryover space from an Entitlement Holder to carry water over. The 'parked' Allocation water is returned to the Placer in the following water year. Carryover rental income is recognised when the carryover services are completed. Where payment for carryover rental arrangements is received in advance of the services being rendered, revenue is deferred in the Statement of Financial Position as accrued carryover rental income until such time as the services are rendered.

***(d) Taxation***

Under current tax legislation, the Fund is not subject to income tax provided that the unitholders are presently entitled to the income of the Fund and that the Fund entirely distributes its taxable income.

There is no income of the Fund to which the unitholders are not currently entitled. Additionally, the fund's constitution requires the distribution of the full amount of the taxable income of the Fund to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event the taxable gains are realised by the Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

**Notes to the Financial Statements (continued)**

**3. Significant Accounting Policies (continued)**

**(e) Inventory**

A water allocation is the volume of water allocated to a water entitlement, and able to be accessed and used or sold in a given year. Water Allocations are announced by the relevant water authorities in each water catchment trading zone throughout the irrigation year (July to June) based on volume held in storage, inflows and seasonal expectations. The cost of water allocations (Inventory) sold is recognised based on the FIFO method. Gains from the sale of water allocations are recognised when they are sold.

Water allocations are carried at the lower of cost or net realisable value. On the occasion of the net realisable value being lower than the cost, an impairment loss will be recognised on the carrying value of the water entitlement and recognised directly in the statement of profit or loss and other comprehensive income.

The valuation of water allocations is performed by Colliers International Valuation & Advisory Services (Vic) Pty Ltd ("Colliers"), an external party who specialise in valuing agribusiness assets for the purposes of testing the carrying value of water allocations for impairment. For the purposes of reporting the valuation reflects the definition of "Fair Value" with reference to Australian Accounting Standards being "Fair Value is the price that would be received to sell an asset or paid to transact a liability in an orderly transaction between market participants at the measurement date". Fair value is deemed to be the net realisable value of the water allocation at the reporting date.

**(f) Distributions**

The Fund distributes its distributable income, calculated in accordance with the Fund's trust deed, Distribution Guidelines as approved by the Fund's Investment Committee and applicable tax legislation to unitholders who are presently entitled to the income under the Fund's trust deed.

**(g) Payables**

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

**(h) Applications and redemptions**

Applications received for units are recorded net of any entry fees payable prior to the issue of the units. Redemptions are recorded gross of any exit fees payable after the cancellation of units redeemed.

**(i) Intangibles**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at fair value. The gains and losses recognised in profit or loss arising from derecognition of an intangible asset is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

**Notes to the Financial Statements (continued)**

**3. Significant Accounting Policies (continued)**

**(i) Intangibles (continued)**

A water entitlement is a perpetual or ongoing entitlement to receive exclusive access to a defined share of water, denominated in megalitres (ML) from a consumptive pool. Water Entitlements are classified according to their seniority or security, with entitlements classed as higher 'security' and 'reliability' receiving priority over lower security/reliability classifications in gaining access to system water in a given year.

**(j) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of the acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the tax authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, management fees, administration fees and legal fees were subjected to the Reduced Input Tax Credits ("RITCs") in accordance with legislation.

**(k) Use of estimates**

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Fund's financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Trustee, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how the Fund's asset values are calculated please see note 6 and 9 to the financial statements.

## Riparian Water Fund Master Trust

### Notes to the Financial Statements (continued)

#### 4. Administration Expenses

	30 June 2023	30 June 2022
	\$	\$
Accounting fees	148,253	99,639
Custody fees	43,428	43,662
Registry fees	34,035	15,035
Establishment fees	1,838	99,972
Valuation fees	35,479	14,693
Taxation services fees	28,586	24,739
Administration expenses	98,188	(215,065)
Management fees	1,121,026	629,170
Performance fees	-	402,968
<b>Total for the year</b>	<b>1,510,833</b>	<b>1,114,813</b>

#### 5. Operating Expenses

	30 June 2023	30 June 2022
	\$	\$
Registration fees	102,135	96,584
Water authority fees	45,848	52,678
Water entitlement storage fees	331,639	86,666
Temporary transfer allocation fees	11,484	14,127
Brokerage fees	109,183	209,701
<b>Total for the year</b>	<b>600,289</b>	<b>459,756</b>

#### 6. Inventory

	30 June 2023	30 June 2022
	\$	\$
Water allocations at cost	27,440	3,604

## Riparian Water Fund Master Trust

### Notes to the Financial Statements (continued)

#### 7. Prepayments and deposits

	30 June 2023	30 June 2022
	\$	\$
Deposit on water assets	222,902	748,661
Prepayments	2,182	1,959
<b>Total</b>	<b>225,084</b>	<b>750,620</b>

#### 8. Other Current Assets

	30 June 2023	30 June 2022
	\$	\$
Accounts receivable	1,009,990	759,920
Manager's expense contribution account	76,487	11,531
GST refund receivable	45,223	4,563
Inter group transaction	1,027	-
<b>Total</b>	<b>1,132,727</b>	<b>776,014</b>

#### 9. Intangible assets

	30 June 2023	30 June 2022
At Cost	\$	\$
Opening balance	104,693,456	17,146,582
Acquisitions	62,912,343	80,686,575
Add: Unrealised gain on water entitlements	130,031	6,860,299
<b>Closing balance</b>	<b>167,735,830</b>	<b>104,693,456</b>



## Riparian Water Fund Master Trust

### Notes to the Financial Statements (continued)

#### 10. Accrued Expenses

	30 June 2023	30 June 2022
	\$	\$
Audit and accounting fees	86,517	20,317
Custody fees	28,397	11,778
Registry fees	5,757	2,821
Valuation fees	2,008	-
Taxation fees	24,439	7,837
Management fees	118,813	71,634
Performance fees	-	402,731
Provision for distribution	934,265	803,944
Withholding tax payable	59,899	105,464
<b>Balance for the year</b>	<b>1,260,095</b>	<b>1,426,526</b>

#### 11. Other Liabilities

	30 June 2023	30 June 2022
	\$	\$
Intercompany RCP Payable	39,444	-
Accounts payable	35,554	-
<b>Balance at the end of year</b>	<b>74,998</b>	<b>-</b>

#### 12. Cash and Cash Equivalents

(a) Cash and cash equivalents include cash at bank. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	30 June 2023	30 June 2022
	\$	\$
Cash and cash equivalents	2,294,493	908,902
<b>Balance at end of year</b>	<b>2,294,493</b>	<b>908,902</b>

## Riparian Water Fund Master Trust

### Notes to the Financial Statements (continued)

#### 12. Cash and Cash Equivalents (continued)

(b) Reconciliation of total comprehensive income for the year to net cash flows used in operating activities:

	30 June 2023	30 June 2022
	\$	\$
<b>Net income</b>	<b>266,564</b>	<b>7,102,654</b>
Adjustments for:		
Increase in intangible assets	(63,042,374)	(87,547,389)
Decrease/(increase) in other current assets	181,567	(905,704)
(Decrease)/increase in accruals	(137,123)	579,651
<b>Net cash used in operating activities</b>	<b>(62,731,366)</b>	<b>(80,770,788)</b>

#### 13. Interest Bearing Liabilities

	30 June 2023	30 June 2022
	\$	\$
<b>Non-current liabilities</b>		
Interest bearing liabilities	21,600,806	5,509,619
<b>Balance at end of year</b>	<b>21,600,806</b>	<b>5,509,619</b>

The Fund entered into a loan facility with Rabobank Australia Limited (the "lender") in August 2020. The facility had a loan limited of \$15 million, with a margin of 2.00% p/a and an undrawn loan fee of 0.20% p/a. This facility expires on 31 May 2024.

In October 2022 a new facility was entered into with a loan limit of \$35 million. This facility expires on 31 October 2024 and is subject to a margin of 2.00% p/a with an undrawn loan fee of 0.25% p/a.

## Riparian Water Fund Master Trust

### Notes to the Financial Statements (continued)

#### 14. Net Asset Value per Unit

	No. of Units	\$
<b>Class A</b>		
Opening balance	21,659,387	24,350,138
Unit issued	25,690,297	29,593,698
Total comprehensive gain for the year	-	(403,094)
Distributions to unitholders	-	(111,329)
Return of capital to unitholders	-	(536,118)
<b>Balance as at 30 June 2023</b>	<b>47,349,684</b>	<b>52,893,295</b>
<b>Class U</b>		
Opening balance	63,592,746	72,248,027
Units issued	973,056	1,121,315
Total comprehensive gain for the year	-	1,005,770
Distributions to unitholders	-	(211,265)
Return of capital to unitholders	-	(871,088)
<b>Balance as at 30 June 2023</b>	<b>64,565,802</b>	<b>73,292,759</b>
<b>Class X</b>		
Opening balance	3,099,840	3,457,073
Units Issued	163,548	185,667
Total comprehensive gain for the year	-	1,380
Distributions to unitholders	-	(10,671)
Return of capital to unitholders	-	(44,010)
<b>Balance as at 30 June 2023</b>	<b>3,263,388</b>	<b>3,589,439</b>

## Riparian Water Fund Master Trust

### Notes to the Financial Statements (continued)

#### 14. Net Asset Value per Unit (continued)

	No. of Units	\$
<b>Class C</b>		
Opening balance	-	-
Units Issued	16,410,095	18,942,087
Total comprehensive gain for the year	-	(337,492)
Distributions to unitholders	-	(6,660)
Return of capital to unitholders	-	(110,614)
<b>Balance as at 30 June 2023</b>	<b>16,410,095</b>	<b>18,487,321</b>

<b>Total net assets attributable to unit holders</b>	<b>131,588,969</b>	<b>148,262,814</b>
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	No. of Units	\$
<b>Class A</b>		
Opening Balance	4,908,447	5,096,784
Units issued	16,750,940	18,312,404
Total comprehensive gain for the year	-	1,292,182
Distributions to unitholders	-	(114,583)
Return of capital to unitholders	-	(236,649)
<b>Balance as at 30 June 2022</b>	<b>21,659,387</b>	<b>24,350,138</b>

<b>Class U</b>		
Opening Balance	18,669,805	19,482,022
Units issued	44,922,941	48,642,797
Total comprehensive loss for the year	-	5,484,636
Distributions to unitholders	-	(345,575)
Return of capital to unitholders	-	(1,015,853)
<b>Balance as at 30 June 2022</b>	<b>63,592,746</b>	<b>72,248,027</b>

## Riparian Water Fund Master Trust

### Notes to the Financial Statements (continued)

#### 14. Net Asset Value per Unit (continued)

	No. of Units	\$
<b>Class X</b>		
Opening balance	3,013,022	3,106,685
Units issued	86,818	95,007
Total comprehensive gain for the year	-	325,835
Distributions to unitholders	-	(16,964)
Return of capital to unitholders	-	(53,490)
<b>Balance as at 30 June 2022</b>	<b>3,099,840</b>	<b>3,457,073</b>
Total net assets attributable to unit holders	<b>88,351,973</b>	<b>100,055,238</b>

The net asset value (the "NAV") per unit of the Fund for the year ended 30 June 2023 composed of four (4) unit classes; Class A, Class X, Class U and Class C. The following are the unit prices for the classes as at 30 June 2023 Class A \$1.1172 (2022: \$1.1234), Class X \$1.1129 (2022: \$1.1226), Class U \$1.1375 (2022: \$1.1367) and Class C \$1,1268 (2022: \$nil)

For the purpose of statutory reporting the Net Asset Value for the Fund as at 30 June 2023 is \$148,262,814 (2022: \$100,055,238) but for unit pricing the Fund's Net Asset Value is \$148,461,656 (2022: \$100,098,053). The difference is attribute adopting cost model in measuring the Water Entitlement for this financial report.

The NAV per unit is calculated by dividing the NAV of the Fund (assets less liabilities) by the number of units on issue as at the reporting date.

#### 15. Related Party Transactions

Transactions with related parties have taken place at arm's length and in the ordinary course of business.

##### (a) Transactions with Trustee and its Associated Entities

The key management personnel of the Trustee for the financial year 30 June 2023 are:

Name	Title
Calvin Kwok	Director
Ian Macoun	Director
Andrew Chambers	Director (appointed as a director on 6 February 2023)
Alex Ihlenfeldt	Director (resigned as a director on 6 February 2023)
Adrian Whittingham	Director (resigned as a director on 6 December 2022)

**Notes to the Financial Statements (continued)**

**15. Related Party Transactions (continued)**

**(a) Transactions with Trustee and its Associated Entities (continued)**

The Fund will bear its own operating expenses (on a cost recovery basis payable to the Trustee who will incur those expenses) and will reimburse the operating expenses of the Investment Manager relating to the operation and management of the Fund. Typical recurring expenses include accounting, custodial, administration, tax, legal, FIRB compliance and audit fees will be capped at 0.25% per annum of gross asset value calculated on a quarterly basis. The Investment Manager will bear any operating expenses of the Fund above 0.25% per annum of the gross asset value.

For the year ending 30 June 2023 the operating expense cost cap was lower by \$112,580 (2022: (\$215,065)). As at 30 June 2023 the Fund was due a reimbursement from the Investment Manager of \$76,487 (2022: \$11,531) to cover costs outstanding in excess of the annual threshold.

**(b) Transactions with Investment Manager and its Associated Entities**

*Investment Management fees*

Investment management fees of \$423,355 (Class U), \$645,558 (Class A & Class X) and \$52,113 (Class C) were incurred for the year ended 30 June 2023 (2022: \$355,303 (Class U), \$273,867 (Class A & Class X) and \$Nil (Class C)) of which \$35,523 (Class U), \$70,281 (Class A & Class X) and \$13,009 (Class C) (2022: \$36,064 (Class U), \$35,570 (Class A & Class X) and \$Nil (Class C)) was payable to Investment Manager at the end of the year. Refer to Note 10.

*Performance fees and performance fee rebates*

Performance fees of (\$8,117) (Class U) and (\$1,969) (Class A) were incurred for the year ended 30 June 2023 (2022: \$331,508 (Class U) and \$71,460 (Class A) of which there is no payable to Investment Manager at the end of the year (2022: \$331,508 (Class U) and \$71,460 (Class A)). Refer to Note 10.

25% of Class U performance fees payable at 30 June 2023 will be reinvested at 1 July 2023 for Class X units held by Riparian Capital Partners Pty Ltd in lieu of a cash payment.

Holding of units by the Investment Manager, key management personnel and their associated entities as at 30 June 2023 and 30 June 2022 were as follows:

	30 June 2023		
	Unit class	Units held	% of the Fund
Matt Houlahan Investment Trust	Class X	95,389	0.07%
	30 June 2023		
	Unit class	Units Held	% of the Fund
Brent Loeskow	Class X	44,503	0.03%

## Riparian Water Fund Master Trust

### Notes to the Financial Statements (continued)

#### 15. Related Party Transactions (continued)

##### (b) Transactions with Investment Manager and its Associated Entities (continued)

	30 June 2023		
	Unit class	Units Held	% of the Fund
Pinnacle Services Administration Pty Ltd	Class X	2,579,141	1.96%
	Class X	2,579,141	1.96%
	30 June 2023		
	Unit class	Units Held	% of the Fund
NEJ & NF Waters Superannuation Fund	Class X	143,587	0.11%
	Class X	143,587	0.11%
	30 June 2023		
	Unit class	Units Held	% of the Fund
M & S Blakeney Super Fund	Class X	205,275	0.16%
	Class X	205,275	0.16%
	30 June 2023		
	Unit class	Units Held	% of the Fund
Riparian Capital Partners Pty Limited	Class X	74,449	0.06%
	Class X	74,449	0.06%
	30 June 2023		
	Unit class	Units Held	% of the Fund
Fulcrum Funds SPC - Fulcrum Energy-Infrastructure-Renewables Fund SP	Class A	3,108,178	2.36%
	Class A	3,108,178	2.36%
	30 June 2023		
	Unit class	Units Held	% of the Fund
Fulcrum Real Assets Optimal Fund	Class A	4,440,575	3.37%
	Class A	4,440,575	3.37%
	30 June 2023		
	Unit class	Units Held	% of the Fund
RWF Water Company Pty Ltd	Class A	35,480,587	26.96%
	Class A	35,480,587	26.96%

## Riparian Water Fund Master Trust

### Notes to the Financial Statements (continued)

#### 15. Related Party Transactions (continued)

##### (b) Transactions with Investment Manager and its Associated Entities (continued)

	30 June 2023		
	Unit class	Units Held	% of the Fund
Riparian Water Fund Delaware Feeder LP	Class X	121,043	0.09%
Riparian Water Fund Delaware Feeder LP	Class U	64,565,802	49.07%
Riparian Water Fund Delaware Feeder LP	Class C	16,410,095	12.47%
		81,096,940	61.63%
	30 June 2022		
	Unit class	Units Held	% of the Fund
Matt Houlahan Investment Trust	Class X	59,630	0.07%
	30 June 2022		
	Unit class	Units Held	% of the Fund
Brent Loeskow	Class X	43,732	0.05%
	30 June 2022		
	Unit class	Units Held	% of the Fund
Pinnacle Services Administration Pty Ltd	Class X	2,534,467	2.87%
	30 June 2022		
	Unit class	Units Held	% of the Fund
NEJ & NF Waters Superannuation Fund	Class X	141,100	0.16%
	30 June 2022		
	Unit class	Units Held	% of the Fund
M & S Blakeney Super Fund	Class X	201,720	0.23%



## Riparian Water Fund Master Trust

### Notes to the Financial Statements (continued)

#### 15. Related Party Transactions (continued)

##### (b) Transactions with Investment Manager and its Associated Entities (continued)

	Unit class	30 June 2022 Units Held	% of the Fund
RWF Water Company Pty Ltd	Class A	20,681,923	23.41%
	Unit class	30 June 2022 Units Held	% of the Fund
Riparian Water Fund Delaware Feeder LP	Class X	119,191	0.13%
Riparian Water Fund Delaware Feeder LP	Class U	63,592,746	71.98%
		63,711,937	72.11%

No fees or remuneration was paid directly to the key management personnel from the Fund during the financial year ended 30 June 2023 (2022: \$Nil).

There were no other fees paid / payable to the Investment Manager for the financial year ended 30 June 2023.

#### 16. Subsequent Events

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Trust as at 30 June 2023 or on the results and cash flows of the Trust for the year ended on that date.

#### 17. Commitments and Contingencies

There were no other contingent assets and liabilities or commitments as at 30 June 2023 (2022: nil)

#### 18. Auditor's remuneration

	30 June 2023 \$	30 June 2022 \$
<i>PricewaterhouseCoopers Australia</i>		
Financial statement audit	13,515	12,500
<b>Total for the year</b>	<b>13,515</b>	<b>12,500</b>

The financial report auditor's remuneration was borne by the Trustee in accordance with the Fund's constitution. There were no other services provided by the auditor to the Fund.

## Riparian Water Fund Master Trust

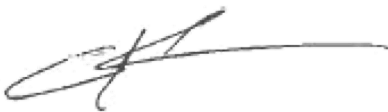
### Directors' Declaration

The directors of the Trustee declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) The directors have determined that this General Purpose - Simplified Disclosure financial report should be prepared in accordance with those accounting standards and the basis of accounting outlined in Note 3 to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Trustee made pursuant to Section 303(5) of the Corporations Act 2001.

On behalf of the directors of the Trustee, Pinnacle Fund Services Limited.



Calvin Kwok  
Director  
Sydney

21 September 2023



## Independent auditor's report

To the unitholders of Riparian Water Fund Master Trust

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### Our opinion

In our opinion:

The accompanying financial report of Riparian Water Fund Master Trust (the Unregistered Scheme) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Unregistered Scheme financial position as at 30 June 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2023
- the statement of profit or loss and other comprehensive income for the for the year then ended
- the statement of changes in net assets attributable to unitholders for the for the year then ended
- the statement of cash flows for the for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Unregistered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### Other information

The directors of the Trustee are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of the directors of the Trustee for the financial report**

The directors of the Trustee are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Trustee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Trustee are responsible for assessing the ability of the Unregistered Scheme to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Trustee either intends to liquidate the Unregistered Scheme or to cease operations, or have no realistic alternative but to do so.

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### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A stylized, handwritten signature of the PricewaterhouseCoopers firm, written in black ink.

PricewaterhouseCoopers

A stylized, handwritten signature of Ben Woodbridge, written in black ink.

Ben Woodbridge  
Partner

Brisbane  
21 September 2023