Company Number 630060

HFMX DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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DIRECTORS AND OTHER INFORMATION

Directors	Gustavo Nicolosi (resigned 10 November 2022) Robert Browne (resigned 10 November 2022) Neil Fleming (appointed 10 November 2022) John Dunphy (appointed 10 November 2022
Company Secretary, Registered Office and Corporate Service Provider	Intertrust Finance Management (Ireland) Limited (to 10 November 2022) 1-2 Victoria Buildings Haddington Road Dublin 4 Ireland Verita Corporate Services Limited (from 10 November 2022) 116 Mount Prospect Avenue Clontarf Dublin 3 Ireland
Company Number	630060
Independent Auditor	Roberts Nathan (Chartered Certified Accountants and Statutory Audit Firm) Penthouse Floor 5 Lapps Quay Cork Ireland
Banker, Issue Agent and Principal Paying Agent (All Series)	The Bank of New York Mellon - London Branch One Canada Square London E14 5AL United Kingdom
Placing Agents (jointly unless noted)	GWM Group, Inc. also known as FlexInvest Securities Inc. * 34 East Putnam Avenue Suites 112 & 113 Greenwich CT 06830 USA * for Series 210, 270, 270, 293, 311, 312, 314, 315, 316, 322, 323, 331, 355, 363, 367 GWM LTD **, *** Cumberland House, 7th Floor 1 Victoria Street Hamilton HM 11 Bermuda ** for Series 222, 382, 396 ***Broker Dealer of Record – Series 230, 298, 299,300, 310, 312, 315, 316, 322, 355, 363, 367
Arranger and Charged Assets Realisation Agent (All Series)	FlexFunds LTD 4th Floor, Harbour Place 103 South Church Street P.O. Box 10240 Grand Cayman Cayman Islands

DIRECTORS AND OTHER INFORMATION

Calculation Agent (All Series)	FlexFunds ETP, LLC 1221 Brickell Ave Suite 1500 Miami, Florida 33131 USA
Trustee	Intertrust Trustees Limited 35 Great St. Helen's London EC3A 6AP United Kingdom
Legal Advisers	*Irish law (All Series):* Mason Hayes & Curran South Bank House Barrow Street Dublin 4 Ireland *Panamanian law (Series 231):* Alfaro, Ferrer & Ramírez Avenida Samuel Lewis P.H. Edificio AFRA Calle 54 Este Panamá *Mexican law (Series 223)* Chevez Ruiz Zamarripa Vasco de Quiroga 2121 4º Piso Peña Blanca Santa Fe C.P 01210 Mexico

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and audited financial statements for the year ended 31 December 2021 for HFMX Designated Activity Company (the "Company").

Directors and secretary and their interests
The names of the persons who were directors at any time during the financial year ended 31 December 2021 are set out below:

Gustavo Nicolosi (appointed 10 July 2018)
Robert Browne (appointed 10 July 2018)

Intertrust Finance Management (Ireland) Limited acted as secretary for the financial year ended 31 December 2021.

Subsequent to the financial year end, on 10 November 2022, Gustavo Nicolosi and Robert Browne resigned as directors and Intertrust Finance Management (Ireland) Limited as secretary. On the same day Neil Fleming and John Dunphy were appointed as directors and Verita Corporate Services Limited as secretary.

The Directors and their immediate relatives and the Company secretary did not hold an interest in any shares of the Company as at 31 December 2021 or at any time during or since the financial year end.

Relevant Audit Information
The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Accounting Records
The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to the keeping of adequate accounting records employing a service provider with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company were maintained at 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland until 10 November 2020 and thereafter at 116 Mount Prospect Avenue, Clontarf, Dublin 3.

Principal activities, review of the business and future developments
The Company is a special purpose vehicle incorporated in Ireland on 10 July 2018 with registration number 630060. The principal activity of the Company is the issue of series of Notes (the "Notes") under its EUR 5,000,000,000 Secured Note Programme. The proceeds from the Notes have been used to fund the acquisition of certain specified assets, as described in the relevant Series Memorandums. The Notes are limited recourse and any amounts payable on the Notes will be met from available proceeds received on the disposal of the assets. The Notes are listed on the third market of the Vienna Stock Exchange.

The Company continued to issue new Series of Notes during the financial year and subsequently. The Directors do not envisage any changes to principal activities of the Company for the foreseeable future.

Results
The Statement of Comprehensive Income is set out on page 10 and shows profit for the financial period after taxation of US$887 (2020: US$ 858).

Financial key performance indicators
The financial key performance indicators used by management to monitor the Company's performance during the year include: maintenance fee revenue and total asset value.

Dividends
The Directors have not recommended a dividend payment for the financial year ended 31 December 2021 (2020: US$Nil).

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Going Concern
The Directors have prepared the financial statements on the going concern basis. The going concern policy is laid out in Note 3.

Principal risk and uncertainties
The financial risk management policies of the Company and the associated market, credit and liquidity risks are discussed in detail in Note 21 to the financial statements.

Significant events during the reporting period
During the year the coronavirus (COVID-19) outbreak occurred however the expected impact on the markets was not as widespread as expected and the principal equity markets in which the Company has invested generally showed positive investment performance results for the year. The impact on the real estate markets is less certain as COVID 19 continues to circulate and the Company cannot predict the COVID-19's potential future direct or indirect effects which may have a material negative impact on the Company's future results of operations, assets and liabilities.

Subsequent events
Details of subsequent events are included in Note 24.

Political donations
The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over €200 in aggregate made during a financial period. There have been no political donations during the financial year ended 31 December 2021 (2020: US$ Nil).

Independent auditor
Roberts Nathan (Chartered Certified Accountants and Statutory Audit Firm) were appointed as auditors for the financial year and have expressed their willingness to continue in office in accordance with section 383 (2) of the Companies Act 2014.

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of directors' responsibilities with regard to the financial statements
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the Board

Neil Fleming	**John Dunphy**
Director	Director
22 January 2024	22 January 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HFMX DESIGNATED ACITIVITY COMPANY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the Financial Statements of HFMX DAC (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes of Equity, Statement of Cash Flows and notes to the financial statements, including the statement of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- Give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and its profit for the year ended.
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- Have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of Financial Statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory' Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis Of Matter – Uncertainty Relating To The Fair Value Of Financial Assets

In forming our opinion on the Financial Statements, we have considered the appropriateness of the estimate of fair value of the financial assets classified as fair value through the Statement of Comprehensive Income. We draw your attention to note 21 of the financial statements relating to fair value of this class of assets. A significant portion of these assets required estimates based on the portfolio manager's judgement of fair value at the year end. However, due to the relationship between the financial assets classified at FVTPL and the related financial liabilities, these estimates are not deemed to have any effect on the net assets of the company as at 31 December 2021. Our opinion is not modified in respect of this matter.

Conclusions Relating To Going Concern

In auditing the Financial Statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events of conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HFMX DESIGNATED ACITIVITY COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions On Other Matters Prescribed By The Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

• the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters On Which We Are Required To Report By Exception

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the company. We have nothing to report in this regard.

Responsibilities Of The Directors For The Financial Statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HFMX DESIGNATED ACITIVITY COMPANY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Auditor's Responsibilities For The Audit Of The Financial Statements
Our objectives are to obtain reasonable assurance about whether the Company's Financial Statements as a whole are 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 ISAs (Ireland) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accountancy Supervisory Authority's website at:

https://www.iaasa.ie/getmedia/b23890131cf6458b9b8fa98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

The Purpose Of Our Audit Work And To Whom We Owe Our Responsibilities
This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter E. Roberts
For and on behalf of
Roberts Nathan,
Chartered Certified Accountants and Statutory Audit Firm,
Penthouse Floor,
5 Lapps Quay,
Cork,
Ireland.

Date: 22/01/2024

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 US$	2020 US$
Interest income	6	8,015,705	6,789,665
Other income	6	813,419	2,315,947
Net (losses)/gains on financial assets and derivatives at fair value through profit and loss	4	(5,060,748)	(8,954,777)
Net gains on financial liabilities at fair value through profit and loss-Notes	5	4,253,024	8,377,346
Interest expense	7	(5,627,284)	(6,398,966)
Foreign exchange (losses)/gains		1,536	(48,230)
Other operating expenses	8	(2,394,469)	(2,079,844)
Profit on ordinary activities before taxation		**1,183**	**1,142**
Taxation	9	(296)	(284)
Profit on ordinary activities after taxation		**887**	**858**

The results for the financial year relate entirely to continuing operations. Total comprehensive income for the financial year is attributable to the owners of the Company. There is no other comprehensive income.

The notes to the financial statements on pages 14 to 39 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		US$	US$
Current Assets			
Financial assets at fair value through profit and loss	10, 22	175,298,113	20,219,381
Derivative financial assets at fair value through profit and loss	14	74,037	18,357
Financial assets at amortised cost		9,612,407	9,612,407
Securities lent		0	0
Cash and cash equivalents	12	5,807,116	14,681,135
Accrued interest from bonds & loans		5,281,720	3,171,807
Interest receivable		238,072	447,936
Other assets	13	1,153,800	389,823
Tax refund receivable		44	50
Total Current Assets		**197,465,309**	**48,540,896**
Non-Current Assets			
Financial assets at fair value through profit or loss		0	138,053,799
Financial assets at amortised cost	11	4,281,000	9,401,000
Total Non-Current Assets		**4,281,000**	**147,454,799**
Total assets		**201,746,309**	**195,995,695**
Equity			
Share capital	19	(1)	(1)
Retained earnings		(2,990)	(2,102)
Shareholders' funds		**(2,991)**	**(2,103)**
Current Liabilities			
Financial liabilities at amortised cost - Notes		(9,612,407)	(9,612,407)
Financial liabilities at fair value through profit or loss - Equities	10, 22	0	0
Derivative financial liabilities at fair value through profit and loss	14	(644,841)	(356,356)
Bank overdrafts	12	(3,031,768)	(994,070)
Amounts payable on purchase of financial assets		0	0
Securities lending		0	0
Interest payable		(5,369,716)	(3,517,577)
Other liabilities	17	(564,854)	(405,310)
Tax payable		0	0
Total Current Liabilities		**(19,223,586)**	**(14,885,720)**
Non-Current Liabilities			
Financial liabilities at fair value through profit or loss - Notes	15, 22	(177,988,732)	(171,706,872)
Derivative financial liabilities at fair value through profit and loss	14	0	0
Financial liabilities at amortised cost	16	(4,531,000)	(9,401,000)
Total Non-Current Liabilities		**(182,519,732)**	**(181,107,872)**
Total Liabilities		**(201,743,318)**	**(195,993,592)**
Total Equity and Liabilities		**(201,746,309)**	**(195,995,695)**

The notes to the financial statements on 14 to 39 form an integral part of the financial statements. All equity is attributable to the owners of the Company.

The financial statements were approved by the Board of Directors and signed on its behalf by:

Neil Fleming
Director
22 January 2024

John Dunphy
Director
22 January 2024

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Share capital US$	Retained Earnings US$	Retained Earnings US$
Balance as at 1 January 2021	1	2,102	2,103
Share capital	0	0	0
Profit for the year	0	887	887
Balance as at 31 December 2021	**1**	**2,990**	**2,991**
	US$	**US$**	**US$**
Balance as at 1 January 2020	1	1,244	1,245
Share capital	0	0	0
Profit for the year	0	858	858
Balance as at 31 December 2020	**1**	**2,102**	**2,103**

The notes to the financial statements on pages 14 to 39 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	US$	US$
Operating activities			
Profit on ordinary activities after taxation		887	858
Adjustments for:			
Net losses on financial assets and derivatives held at FVTPL		5,060,748	8,519,165
Net gains on financial liabilities held at FVTPL-Notes		(4,253,024)	(8,377,346)
(Decrease)/Increase in tax payable		6	(465)
FX loss/(gain)		2	(8,284)
Increase in interest receivable		(1,900,049)	(2,279,713)
Increase in interest payable		1,852,139	2,300,113
Increase in other assets		(763,977)	(302,912)
(Decrease)/Increase in amounts payable on purchase of financial assets		0	(480,000)
Increase/(decrease) in other liabilities		159,544	(1,717)
Net cash (outflow)/inflow from operating activities		**156,277**	**(630,301)**
Cash flows from investing activities			
Purchase of financial assets		(92,178,550)	(147,865,940)
Sale/maturity of financial assets		70,429,273	116,220,927
Cash mark to market on derivatives		(673,822)	0
Loans issued		0	(9,401,000)
Loans repaid		5,120,000	0
Net cash outflow from investing activities		**(17,303,099)**	**(41,046,013)**
Cash flows from financing activities			
Proceeds from Issuance of Notes		20,064,402	62,842,467
Redemption of Notes		(13,829,297)	(17,853,214)
Net cash inflow from financing activities		**6,235,105**	**44,989,253**
Net increase in cash and cash equivalents		**(10,911,717)**	**3,312,938**
Opening balance cash and cash equivalents		13,687,065	10,374,127
Cash and cash equivalents at 31 December 2021	12	**2,775,348**	**13,687,065**

The notes to the financial statements on pages 14 to 39 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. General information

Reporting entity
The Company is a designated activity company incorporated in Ireland on 10 July 2018 under the Companies Act 2014 with registration number 630060. The address during the financial year ended 31 December 2021 was the registered office: 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland. The nature of the Company's operations and its principal activities are set out in the Directors' report.

2. Period of the financial statements

The financial statements are for the financial year 1 January 2021 to 31 December 2021. The comparatives are for the financial year 1 January 2020 to 31 December 2020.

3. Significant accounting policies

The principal accounting policies that the Company applied in preparing its financial statements for the financial year ended 31 December 2021 are set out below.

Basis of preparation
The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at their respective fair values at the end of each reporting period, as explained in the accounting policies below.

Statement of compliance
The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and as applied in accordance with the provisions of the Companies Act 2014 (as amended).

Going concern
The Directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet their obligations as they fall due.

New and revised Standards and Interpretations in issue but not yet effective
There are no standards, amendments of interpretations that are effective for the financial year beginning on 1 January 2021 that would have a material effect on the financial statements of the Company.

Reporting currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are therefore presented in U.S. Dollars ("US$" or "USD") which has been determined as the Company's functional and presentational currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies have been translated at the exchange rates in effect at the balance sheet date. All exchange differences are recognised in the profit and loss before taxation in the period in which they arise.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Valuations of certain non-market quoted assets are dependent on the receipt of timely and accurate financial information from various parties. Such valuations also require the use of market comparatives which may not be readily available or directly comparable.

3. Significant accounting policies (continued)

Judgements
Investment entities

The Company has adopted the provisions of IFRS 10 'Consolidated Financial Statements' ('IFRS 10') which provides an exception to consolidation for entities qualifying as investment entities.

IFRS 10 defines an investment entity as an entity that:
- obtains funds from one or more investors for the purpose of providing those investors with professional investment management services;
- commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

Further, IFRS 10 notes that an investment entity displays the following characteristics:
- It has more than one investment, to diversify the risk portfolio and maximise return;
- It has multiple investors, who pool their funds to maximise investment opportunities;
- It has investors that are not related parties of the entity; and
- It has ownership interest in the form of equity or similar interest.

Accordingly, the Company has not consolidated its subsidiary investments in Wrapper or Hybrid type Series but rather accounted for them at fair value through profit or loss. Additionally, and as required, the Company has applied the exemption from applying the equity method of accounting in IAS 28 'Investments in Associates and Joint Ventures'. That is, similar to the Company's investments in subsidiaries, investments in associates in Wrapper type Series are accounted for at fair value through profit or loss.

Financial Instruments
Classification and measurement of financial instruments
Under IFRS 9 *Financial Instruments* ("IFRS 9"), the classification of financial assets is driven by cash flow characteristics and the business model for managing the asset. Classification determines how financial assets are accounted for in the financial statements and, in particular, how they are measured on an ongoing basis. IFRS 9 also introduces one impairment model i.e. expected losses model. Specifically, entities are required to account for expected credit losses from when financial instruments are first recognised.

All financial instruments are initially recognised at fair value. All financial instruments are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Under IFRS 9, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and on its contractual cash flow characteristics.

In evaluating the classification of its financial assets the Company has determined the following classifications:

Wrapper
Wrapper type Series ('Wrappers') use the proceeds of the issuance of the Notes to invest in equity type instruments. The contractual cash flows of these Series are not solely payments of principal and interest. Therefore, the business model is to manage the equity type instruments that the Wrappers invest into on a fair value basis.

Hybrid
Hybrid type Series ('Hybrids') use the proceeds of the issuance of the Notes to enter into loan agreements and invest in equity type instruments. The contractual cash flows of these Series are not solely payments of principal and interest. Therefore, the business model is to manage the loan agreements and equity type instruments that the Hybrids invest into on a fair value basis.

3. Significant accounting policies (continued)

Loans
Loan type Series ('Loans') use the proceeds of the issuance of the Notes to enter into loan agreements. The contractual cash flows of these Series are solely payments of principal and interest. Therefore, the business model is to measure the loan agreements that the Loans enter into at amortised cost.

Funds
Fund type Series ('Funds') use the proceeds of the issuance of the Notes to invest in a securities account or a custody account and, acting through a portfolio manager, invest in a range of financial instruments: bonds, derivatives, equities etc. Portfolio manager will be responsible for identifying or selecting financial instruments and investment opportunities for investment. The contractual cash flows of these Series are not solely payments of principal and interest. Therefore, the business model is to manage the instruments that the Funds invest into on a fair value basis.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The Company utilises the last traded market price for both financial assets and financial liabilities. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

At initial recognition, financial assets at FVTPL are measured at their fair value. Such assets are carried at fair value on the Statement of Financial Position with changes in fair value included in the Statement of Comprehensive Income in the period in which they occur.

Financial assets classified at amortised cost, are measured initially at fair value. They are subsequently measured at amortised cost using the effective interest method less any expected credit loss allowance. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Notes issued
Under IFRS 9, when the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The Company has designated certain notes issued upon initial recognition as at fair value through profit or loss ("fair value option"). A liability may be designated at fair value through profit or loss ("FVTPL") when it eliminates or significantly reduces a measurement or recognition inconsistency "an accounting mismatch" that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis. For any series where an accounting mismatch does not arise, the notes issued are carried at amortised cost.

The Company's financial liabilities that comprise Notes issued, are:

- classified as being measured at amortised cost for the Loans. These Notes are initially recognised at fair value at the date of issuance of the liability, and are subsequently measured at amortised cost. Interest expense from these Notes is included in 'Interest expense' in the Statement of Comprehensive Income.

- designated as financial liabilities at fair value through profit or loss for the Series backed by Wrappers, Hybrids and Funds. Financial liabilities at fair value through profit or loss are initially recognised at fair value and are subsequently measured at FVTPL on the basis that the financial liabilities and corresponding financial assets in each series are managed and their performance evaluated on a fair value basis. Gains and losses arising from changes in the fair value of the financial liabilities are presented in the Statement of Comprehensive Income in the financial year in which they arise.

Recognition/derecognition of financial instruments
Purchases and sales of investments are accounted for on the day the trade transaction takes place. Investments are derecognised when the rights to receive cash flows from the investments have expired or the risks and rewards of ownership have all been substantially transferred. Notes are derecognised, either partly or fully, when the Company has transferred substantially part or all of its financial obligations relating thereto. Realised gains and losses on disposals are reflected as net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss.

3. Significant accounting policies (continued)

Impairment of financial assets
In accordance with IFRS 9 the Company is required to determine the impairment of financial assets on an expected credit loss (ECL) basis. Financial assets at amortised cost fall within scope of IFRS 9 impairment. Financial assets that are classified at fair value through the profit and loss (FVTPL) do not need to be assessed for impairment as they are already recorded at fair value which reflects credit risk at the measurement date.

The Company is required to calculate an ECL provision which represents an un-biased (i.e. neutral, not optimistic or pessimistic) probability weighted estimate of the present value of cash shortfalls which is determined by evaluating a range of possible outcomes. Cash shortfalls are the difference between the cash flows that are due to the Company in accordance with the contractual terms of the financial asset and the cash flows that the Company expects to receive.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers an event of default as having occurred when the entities that the Company entered into loan agreements with are unlikely to pay their credit obligations in full.

The Company reviews all financial assets that are subject to the IFRS 9 impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

The Company measures ECL on an individual basis. Loss allowances for ECL which are material are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

The Company holds cash and cash equivalents, cash collateral, accrued interest from bonds, interest receivable, other assets, amounts payable on purchase of financial assets, interest payable and other liabilities at amortised cost. The Directors consider that the carrying amounts of these assets and liabilities approximate their fair values due to their short-term nature. The probability of default on these balances (other than interest receivable) is so small that the ECL on these balances is immaterial. The Company also holds loans at amortised cost. See Note 11 with regards to ECL on loans.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and cash held on call with banks or brokers. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value. Also includes balances held on each of the series broker accounts.

Interest income and interest expense
Interest income and interest expense are accrued on an effective interest basis and are recognised in the Statement of Comprehensive Income as interest income and interest expense respectively.

Expenses
Expenses are accounted for on an accruals basis with the exception of transaction costs relating to the acquisition of financial assets at fair value through profit or loss which are charged as incurred.

3. Significant accounting policies (continued)

Maintenance Fee Deducted Amount
Maintenance fee income may arise as a percentage of the value of assets in a Series, a percentage of Notes' subscription proceeds received by the Company or a fee paid by a specified party, as detailed in the Series Memoranda. Maintenance fee income is accounted for in line with expenses' accruals.

Taxation
Corporation tax
Current tax is provided on the Company's taxable profits, at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the financial year end date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the end of the financial year. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

4. Net (losses)/gains on financial assets and derivatives at FVTPL

	2021	2020
	US$	US$
Net (losses)/gains from changes in fair value	(5,622,375)	(9,995,131)
Realised gains and (losses)	561,627	1,040,354
	(5,060,748)	**(8,954,777)**

Net (losses)/gains on financial assets and derivatives at FVTPLincorporates fair value and realized gains and losses on financial instrument assets and derivatives. Derivatives are principally traded in relation to underlying asset positions in listed equities.

5. Net gains/(losses) on financial liabilities at FVTPL

	2021	2020
	US$	US$
Net gains from changes in fair value	1,332,684	8,955,993
Realised gains and losses	2,920,340	(578,647)
	4,253,024	**8,377,346**

Net gains/(losses) on financial liabilities at FVTPL incorporates fair value and realized gains and losses on the financial liabilities that are represented by Notes issued by the Company.

6. Interest and other income

Interest income	2021 US$	2020 US$
Interest income from cash holdings	3,818	2,204
Income from securities lending	0	0
Interest income from loans	4,705,482	5,022,398
Interest income from bonds	3,306,405	1,765,063
	8,015,705	**6,789,665**

Other income	2021 US$	2020 US$
Dividends	327,810	1,406,222
Maintenance fees	485,609	909,726
Other	0	0
	813,419	**2,315,947**

7. Interest expense

	2021 US$	2020 US$
Interest expense on margin accounts	(157,907)	(97,160)
Interest expense on Notes	(5,469,377)	(6,301,806)
	(5,627,284)	**(6,398,966)**

8. Other operating expenses

	2021 US$	2020 US$
Audit fees	(23,175)	(45,181)
Portfolio management and performance fees	(1,295,501)	(1,055,309)
Other operating expenses	(1,075,793)	(979,354)
	(2,394,469)	**(2,079,844)**

	2021 US$	2020 US$
Statutory auditors' remuneration (excluding VAT)		
Statutory audit (excluding VAT)	(18,841)	(36,733)
Tax advisory services (excluding VAT)	0	0
	(18,841)	**(36,733)**

Auditors' remuneration for work carried out relates to fees payable to Roberts Nathan, the statutory audit firm. Fees are exclusive of VAT. There were no fees in relation to non-audit assurance or other services paid to the auditors during the financial year ended 31 December 2021 (2020: EUR Nil).

9. Taxation

	2021	2020
Analysis of charge for the financial year	**US$**	**US$**
Current tax charge for the financial year	(296)	(284)
Total tax charged for the year/period	**(296)**	**(284)**

Factors affecting tax charge for the financial year	**2021**	**2020**
	US$	**US$**
Profit on ordinary activities before taxation	1,183	1,142
Profit on ordinary activities at the standard rate of corporation tax in Republic of Ireland of 12.5%	(148)	(142)
Higher tax rate applicable under Section 110 of the Taxes Consolidation Act, 1997	(148)	(142)
Total tax charged for the year	**(296)**	**(284)**

The Company is a qualifying Company within the meaning of Section 110 of the Taxes Consolidation Act 1997. As such the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25% but are computed in accordance with the provisions applicable to Case I of Schedule D.

10. Financial assets at FVTPL and financial liabilities at FVTPL - Equities

All of the Company's investments fall under the definition of Collateral Assets (as set out in the relevant Series constituting instrument) and as such are secured for the payment of obligations to the specific Notes payable under that Series. Each Series' investments are legally segregated such that no other Notes or Company obligations can be met from the proceeds of the investments of that respective series.

An analysis of the financial assets and financial liabilities at FVTPL – Equities as disclosed on the Statement of Financial Position is as follows:

	2021	2020
Financial Assets at FVTPL	**US$**	**US$**
Listed equities	43,965,854	18,247,109
Unlisted equities	51,790,950	58,800,056
Listed bonds	41,890,149	37,268,763
Hybrid equity/debt investments	37,651,160	43,957,252
	175,298,113	**158,273,180**

	2021	2020
Financial Liabilities at FVTPL - Equities	**US$**	**US$**
Financial Liabilities at FVTPL - Equities	0	0
	0	**0**

Financial liabilities at FVTPL – Equities represents listed equities where a short position has been taken.

10. Financial assets at FVTPL and financial liabilities (short holding) at FVTPL (continued)

During the financial year, the Company invested in equity type instruments and hybrid type instruments (equity and loan) in financial, entertainment and real estate sectors. The Company also invested in debt instruments and a range of derivative instruments.

Hybrid type S254 invested with a company that has failed to make any distributions and interest payments since June 2019 and was reportedly in breach of many other obligations. Therefore, for the financial period ended 31 December 2019, the Calculation Agent prepared a fair valuation report which concluded that the assets of this series had a fair value of US$ Nil (2020: US$ Nil).

The Company has been informed that the investment entity underlying S220 has been struck off and there have been no asset valuations provided to the Company. Therefore, the assets of this series have been ascribed a fair value of US$ Nil (2020: US$Nil).

11. Financial assets at amortised cost

	2021 US$	2020 US$
Balance as at the beginning of the financial year	19,013,407	9,612,407
Loans advanced	0	9,401,000
Loans repaid	(5,120,000)	0
Balance as at the end of the financial year	**13,893,407**	**19,013,407**

During the financial year, the Company did not advance any new loans (2020: US$9,401,000). Loans have been advanced to companies engaged in financial and real estate industries. The company received repayments of US$5,120,000 (2020: US$ NIL) on these loans during the financial year.

During the financial year, the Series 222 loan was repaid in full and the series was closed.

	2021	2020
The balance at the financial year end is classified as follows:	US$	US$
Current assets	9,612,407	9,612,407
Non-current assets	4,281,000	9,401,000
	13,893,407	**19,013,407**

Impairment of financial assets at amortised cost

Only assets held at amortised cost are in scope of the IFRS 9 impairment. All these assets are in Stage 1 assets. The loans have been assessed for impairment on an expected credit loss (ECL) basis and it has been determined that no loss allowances be recognised in the 31 December 2021 financial statements (2020: US$ Nil).

12. Cash and cash equivalents

	2021	2020
	US$	US$
Cash at bank	1,125,976	2,495,914
Cash held by broker or custodian	4,681,140	12,185,221
Overdrafts with brokers	(3,031,768)	(994,070)
	2,775,348	**13,687,065**

Certain Series invest in listed equities, bonds and trade in derivatives. This activity is conducted through Series specific accounts with Interactive Brokers LLC and may incorporate margin overdrafts from Interactive Brokers LLC that are secured by the assets held in the specific Series account. The broker may offset cash held in one currency against overdrafts in another for the same Series.

13. Other assets

	2021	2020
	US$	US$
Dividends receivable	352,814	30,763
Fees receivable	300,985	359,059
Trades awaiting settlement	500,000	0
Share capital receivable	1	1
	1,153,800	**389,823**

14. Derivative financial instruments

Derivative contracts that the Fund type series ('Funds') may hold or issue may include futures, equity & index options and options on futures.

The Funds record their derivative activities at fair values which are determined by using quoted market prices.

Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets.

All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received). Subsequent changes in the fair value of any derivative instrument are recognised immediately in the Statement of Comprehensive Income.

Futures are contracts for delayed delivery of commodities, securities or money market instruments in which the seller agrees to make delivery at a specified future date of a specified commodity or instrument, at a specified price or yield. Gains and losses on futures are recorded by the Funds based upon market fluctuations and are recorded as realised or unrealised gains or losses in the Statement of Comprehensive Income.

The Funds purchase or sell either put or call options through listed exchanges. Options purchased by the Funds provide the Funds with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option. The Funds are exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value. The credit risk related to exchange-traded contracts is minimal because the exchange is responsible for the contracts being honoured.

14. Derivative financial instruments (Continued)

As of 31 December 2021, the following derivative contracts were included in the Statement of Financial Position at fair value through profit or loss:

	Fair value assets	Fair value liabilities
31 December 2021	**US$**	**US$**
Equity and index options	74,037	(644,841)
Futures	0	0
Options on futures	0	0
	74,037	**(644,841)**

	Fair value assets	Fair value liabilities
31 December 2020	**US$**	**US$**
Equity and index options	18,357	(356,356)
Futures	0	0
Options on futures	0	0
	18,357	**(356,356)**

15. Financial liabilities at FVTPL

	2021	2020
	US$	**US$**
Balance as at the beginning of the financial year	(171,706,872)	(143,605,213)
Issuances	(20,035,760)	(53,441,465)
Redemptions	8,930,654	17,853,213
Foreign exchange movement	570,221	(890,753)
Net gains on financial liabilities	4,253,025	8,377,346
Balance as at the end of the financial year	**(177,988,732)**	**(171,706,872)**

The Company's financial liabilities consist of Notes issued. The maturity dates for the Notes range from 2 October 2023 to 31 August 2040. The Notes are scheduled to be redeemed as per the conditions of the constituting instruments. The Notes do not carry a fixed rate of interest. Notes at amortised cost are detailed in Note 16.

The value of S220 and S254 Notes as at 31 December 2021 are US$ Nil (2020: US$ Nil) as they derive their value from S220 or S254 assets, respectively. See Note 10.

Security
The Company's obligations under the Notes are secured under the Trust Deed relating to the Notes in favour of the Trustee for the benefit of the Noteholders. The Notes will be secured on the underlying charged assets.

Limited recourse
The Notes are direct limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of proceeds of realisation of the Charged Assets. The payment of principal, interest, and other amounts in respect of the Notes will be made solely from amounts received in respect of the Underlying Assets of the relevant series of Notes of the Company in accordance with the priority of payments and not from the assets relating to any other series or from the general assets of the Issuer. Following maturity or redemption of the Collateral Assets there will be no other assets of a particular series available to meet any outstanding claims against that series.

15. Financial liabilities at FVTPL (continued)

Subordination of the Notes
Payments of principal in respect of the Notes are subordinated to the payment of certain amounts payable by the Company, as set out in the Series Memorandum of the relevant series. There can be no assurance that the Noteholders will receive the full redemption amount payable by the Company under the Notes or that they will receive any return on their investment in the Notes. In certain circumstances, returns to the Noteholders could be reduced to zero.

Further information in respect of, inter alia, the Notes, the underlying investments and the security provisions pertaining to the Notes are contained in the Series Memorandum issued by the Company in respect of each class of Notes issued.

Final Redemption of the Notes
Unless previously redeemed in full, the Company shall redeem the notes in full on the scheduled final maturity payment date. The Notes are listed on the third market of the Vienna Stock Exchange.

Interest
All of the Notes issued are variable coupon notes except for Series 312, which is a zero coupon note. The Notes shall receive a total return based on the performance of the portfolio during the interest period.

Notes on custody
Series of Notes may be issued free of payment and unfunded. The Company holds these Notes on behalf of the series on custody with Bank of New York Mellon until the Notes are sold to subscribing investors. The Company has not invested into these Notes and no income is generated from these Notes while held on custody. If the Note position remains unsold, the Note is redeemed and the amount of the Note under the series will be reduced. These Notes will only be included in the Company's financial liabilities once they are sold/partly sold to subscribing investors.

16. Financial liabilities at amortised cost

	2021	2020
	US$	US$
Balance as at the beginning of the financial year	(19,013,407)	(9,612,407)
Issuances	0	(9,401,000)
Redemptions	4,870,000	0
Foreign exchange movement	0	0
Balance as at the end of the financial year	**(14,143,407)**	**(19,013,407)**

The terms and conditions of the Notes are the same as the details for Notes described in Note 15.

Interest is payable to the Noteholders on the interest payment date determined by the Calculation Agent as per the conditions of the Notes.

	2021	2020
The balance at the financial year end is classified as follows:	US$	US$
Current liabilities	9,612,407	9,612,407
Non-current liabilities	4,531,000	9,401,000
	14,143,407	**19,013,407**

17. Other liabilities

	2021	2020
	US$	US$
Trade creditors and accruals	(564,854)	(405,310)
	(564,854)	**(405,310)**

18. Ownership of the Company

There is no ultimate controlling party. Until 10th November 2022, the share capital was held by Intertrust Corporate Nominees 2 (Ireland) Limited, nominees of Intertrust Corporate Services 2 (Ireland) Limited as Trustee of the HFMX Trust, which is a charitable trust constituted under the laws of Ireland. Subsequent to the financial year end, on 10th November 2022, the issued share capital was transferred to Boru Corporate Trustees Limited, to continue to hold in trust.

The Company's financial statements are not consolidated into the results of any other entity.

19. Share capital

	2021	2020
	US$	US$
Authorised:		
1,000 ordinary shares of €1 each	1,123	1,123
Allotted, called up and unpaid:		
1 ordinary shares of €1 each	1	1

The authorised share capital of the Issuer is €1,000 divided into 1,000 shares of €1.00 each, of which 1 is issued and was directly held by Intertrust Corporate Nominees 2 (Ireland) Limited until 10 November 2022. Subsequent to the financial year end, on 10th November 2022, the issued share capital was transferred to Boru Corporate Trustees Limited.

20. Directors and employees

The Company has no employees. The Directors received no remuneration from the Company in respect of qualifying services rendered during the financial year (2020: US$ Nil). A portion of the fees Intertrust Finance Management (Ireland) Ltd earned as corporate service (as set out in Note 23) represents directorship services provided by the Directors of the Company who are also employees of the corporate service provider. The Directors are not paid directly by the Company, but their directorship services are reflected in their salary received from the corporate service provider.

21. Financial risk management

Strategy in using financial instruments
Financial assets and financial liabilities are central to the activities of the Company. The financial liabilities provide the funding to purchase the Company's financial assets.

The strategies used by the Company in achieving its objectives regarding the use of its financial assets and liabilities were set when the Company commenced trading. The Company has attempted to match the properties of the financial liabilities to the financial assets held to avoid significant elements of risk generated by mismatches of investment performance against its obligations. However, ultimately any risk exposures will be passed to the Noteholder as the notes are limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of proceeds of investments.

Risks
The principal risks arising from the Company's investments are credit risk, liquidity risk and market risk, including interest risk, currency risk and price risk. Further details of the risks associated with an investment in the notes issued by the Company are set out in the Series Memorandum.

Market risk
Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of financial instruments. The Noteholders are exposed to the market risk of the asset portfolio.

A disclosure of a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date is required, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date. Whilst the financial instruments held by the Company are separately exposed to interest rate risk, currency risk and market price risk, the Company itself is not materially exposed to market risk overall. The Noteholders are exposed to the market risk of the financial instruments held by the Company. Any movement on the market value of these assets is passed on to the Noteholders due to the nature of the Notes issued.

Interest rate risk
Interest rate risk is the risk that the future cash flows of financial instruments fluctuate because of changes in the market interest rates. The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments and cash flows. The interest basis on the majority of the financial liabilities in issue is floating. However, as the actual return is based on the performance of the asset portfolio of that series, the directors believe there is no significant interest risk retained in the Company and no active management of this risk is required.

The noteholders are exposed to the market risk of the financial instrument. In terms of market rate sensitivity, any movement on the market value of the assets is passed on to the noteholders due to the nature of the Notes issued. If the interest rates increased/decreased by 5% as at 31 December 2021 with all other variables held constant, this would impact the annual net interest income and expense of the Company by approximately US$8,430,883 (2020: US$ 7,700,755).

21. Financial risk management (continued)

Interest rate risk (continued)
The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments and cash flows. The interest basis on the majority of the financial liabilities in issue is floating however as the actual return is only based on the performance of the asset portfolio of that series, the directors believe there is no significant interest risk retained in the Company and no active management of this risk is required.

The interest rate profile of the Company's financial assets and liabilities is as follows:

2021	**Fixed Interest rate**	**Floating Interest rate**	**Non-Interest Bearing**	**Total**
	US$	**US$**	**US$**	**US$**
Assets				
Financial assets at FVTPL	32,737,089	6,595,710	135,965,314	175,298,113
Derivative financial assets at FVTPL	0	0	74,037	74,037
Financial assets at amortised cost	13,893,407	0	0	13,893,407
Securities lent	0	0	0	0
Cash and cash equivalents	0	5,807,116	0	5,807,116
Cash collateral	0	0	0	0
Accrued interest from bonds & loans	0	0	5,281,720	5,281,720
Interest receivable	0	0	238,072	238,072
Other assets	0	0	1,153,800	1,153,800
Tax payable	0	0	44	44
Total assets	**46,630,496**	**12,402,826**	**142,712,987**	**201,746,309**
Liabilities				
Financial liabilities at FVTPL - Notes	0	(177,988,732)	0	(177,988,732)
Financial liabilities at FVTPL - Equities	0	0	0	0
Derivative financial liabilities at FVTPL	0	0	(644,841)	(644,841)
Financial liabilities at amortised cost	(14,143,407)	0	0	(14,143,407)
Bank overdraft	0	(3,031,768)	0	(3,031,768)
Interest payable	0	0	(5,369,716)	(5,369,716)
Amounts payable on purchase of financial assets	0	0	0	0
Securities lending	0	0	0	0
Other liabilities	0	0	(564,854)	(564,854)
Total liabilities	**(14,143,407)**	**(181,020,500)**	**(6,579,411)**	**(201,743,318)**
Interest rate sensitivity gap	32,487,089	(168,617,674)	136,133,575	2,991

21. Financial risk management (continued)

Interest rate risk (continued)

2020	Fixed Interest rate US$	Floating Interest rate US$	Non-Interest Bearing US$	Total US$
Assets				
Financial assets at FVTPL	38,787,303	4,004,701	115,481,176	158,273,180
Derivative financial assets at FVTPL	0	0	18,357	18,357
Financial assets at amortised cost	19,013,407	0	0	19,013,407
Securities lent	0	0	0	0
Cash and cash equivalents	0	14,681,135	0	14,681,135
Cash collateral	0	0	0	0
Accrued interest from bonds & loans	0	0	3,171,807	3,171,807
Interest receivable	0	0	447,936	447,936
Other assets	0	0	389,823	389,823
Tax payable	0	0	50	50
Total assets	**57,800,710**	**18,685,836**	**119,508,429**	**195,995,695**
Liabilities				
Financial liabilities at FVTPL - Notes	0	(171,706,872)	0	(171,706,872)
Financial liabilities at FVTPL - Equities	0	0	0	0
Derivative financial liabilities at FVTPL	0	0	(356,356)	(356,356)
Financial liabilities at amortised cost	(19,013,407)	0	0	(19,013,407)
Bank overdraft	0	(994,070)	0	(994,070)
Interest payable	0	0	(3,517,577)	(3,517,577)
Amounts payable on purchase of financial assets	0	0	0	0
Securities lending	0	0	0	0
Other liabilities	0	0	(405,310)	(405,310)
Total liabilities	**(19,013,407)**	**(172,700,942)**	**(4,279,243)**	**(195,993,592)**
Interest rate sensitivity gap	38,787,303	(154,015,106)	115,229,186	2,103

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to movements in exchange rates between its functional currency USD and foreign currency denominated financial instruments. The Company holds assets denominated in CAD, EUR, GBP, HKD, JPY, MXN, SEK, SGD and USD whilst all Notes issued are denominated in USD and EUR. As such a currency risk exists whereby the value of the Company's assets may fall should the strength of GBP or EUR fall against the USD. However, given the vast majority of the positions are denominated in USD, or in respect of Euro Series naturally hedged, the Directors believe there is no significant currency risk retained in the Company and no active management of this risk is required.

If the exchange rate at 31 December 2021 between the Company's functional currency and all other currencies weakened or strengthened by 5% with all other variables held constant, this would increase/decrease the assets and the liabilities of the Company by approximately US$59,540 (2020: US$233,268).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. Financial risk management (continued)

31 December 2021	AUD	CAD	CHF	EUR	GBP	HKD	JPY	MEX	NZD	RUB	SEK	SGD	Total
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Assets													
Financial assets at FVTPL	0	3,629,537	0	6,895,185	0	62,391	131,372	605,910	0	0	0	58,478	11,382,873
Securities lent	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	0	84,341	0	138,746	0	0	0	0	0	0	18,580	0	241,667
Other assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	**0**	**3,713,878**	**0**	**7,033,931**	**0**	**62,391**	**131,372**	**605,910**	**0**	**0**	**18,580**	**58,478**	**11,624,539**
Liabilities													
Financial liabilities at FVTPL - Notes	0	0	0	(6,621,924)	0	0	0	0	0	0	0	0	(6,621,924)
Financial liabilities at FVTPL - Equity	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank overdraft	0	0	0	0	0	0	0	(188,402)	0	0	0	0	(188,402)
Other liabilities	0	0	0	(148,847)	0	0	0	0	0	0	0	0	(148,847)
Total liabilities	**0**	**0**	**0**	**(6,770,771)**	**0**	**0**	**0**	**(188,402)**	**0**	**0**	**0**	**0**	**(6,959,172)**

31 December 2020	AUD	CAD	CHF	EUR	GBP	HKD	JPY	MEX	NZD	RUB	SEK	SGD	Total
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Assets													
Financial assets at FVTPL	0	2,396,608	0	7,404,424	0	0	0	0	0	0	0	0	9,801,032
Securities lent	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents	7,129	24,874	55,013	594	0	0	18,226	0	0	84	3,832	0	109,752
Other assets	0	0	0	7,913	0	0	0	0	0	0	0	0	7,913
Total assets	**7,129**	**2,421,483**	**55,013**	**7,412,930**	**0**	**0**	**18,226**	**0**	**0**	**84**	**3,832**	**0**	**9,918,698**
Liabilities													
Financial liabilities at FVTPL - Notes	0	0	0	(7,404,424)	0	0	0	0	0	0	0	0	(7,404,424)
Financial liabilities at FVTPL - Equity	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank Overdraft	0	(878,956)	0	(36,233)	(77,760)	0	0	(13)	(1,109)	0	0	0	(994,070)
Other liabilities	0	0	0	(329,398)	0	0	0	0	0	0	0	0	(329,398)
Total liabilities	**0**	**(878,956)**	**0**	**(7,770,055)**	**(77,760)**	**0**	**0**	**(13)**	**(1,109)**	**0**	**0**	**0**	**(8,727,892)**

21. Financial risk management (continued)

Price risk
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or market factors affecting the pricing of similar financial instruments.

The Company holds a range of assets which include listed equity, unlisted equity, equity-based assets, loans, bonds and derivatives. As such the Company is exposed to price risk, whereby the value of the investments could fall due to a negative shift in market prices. However, the exposure to this risk sits principally with the Noteholders and the Company itself is not materially exposed to this risk.

At 31 December 2021, should the price of the financial instruments held by the Company have increased or decreased by 5% with all other variables remaining constant, the increase or decrease in the assets and the liabilities would amount to approximately US$8,061,437 (2020: US$ 7,896,723).

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company is not exposed to any significant net liquidity risk. The noteholders assume the liquidity risk arising from the Company's financial instruments.

The Notes issued are limited in recourse to the assets underlying each particular Series. The repayment of the limited recourse notes will only be made from the disposal of the relevant assets. Early termination and redemption provisions require that each of the noteholders is returned an amount which is the sum of the Collateral Assets. There will be no other assets of the Company available to meet the outstanding claims of the noteholders, who will bear any shortfall pro-rata to their holdings of Notes. The Company therefore has no net liquidity risk.

The Company is required to disclose the contractual gross undiscounted cash flows payable on the Company's financial liabilities. However, since the amount payable on maturity is dependent upon the performance of the relevant Collateral Assets, it is not possible to accurately estimate such cash flows. Therefore, the liquidity risk of the Company is best represented by disclosing the fair values of the Company's financial assets and financial liabilities. There is no active liquidity management required for this Company. The Company has attempted to match the properties of its financial liabilities to its assets to avoid significant elements of risk.

Listed bonds and equities that are trade on recognised stock exchanges are considered liquid and accordingly classified as due in less than one year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. Financial risk management (continued)

Liquidity risk 2021	Less than 1 year US$	Between 1 and 5 years US$	Over 5 years US$	Total US$
Assets				
Financial assets at FVTPL	46,234,687	31,432,325	97,631,101	175,298,113
Derivative financial assets at FVTPL	74,037	0	0	74,037
Financial assets at amortised cost	9,612,407	0	4,281,000	13,893,407
Securities lent	0	0	0	0
Cash and cash equivalents	5,807,116	0	0	5,807,116
Cash collateral	0	0	0	0
Accrued interest from bonds and loans	5,281,720	0	0	5,281,720
Interest receivable	238,072	0	0	238,072
Other assets	1,153,800	0	0	1,153,800
Tax payable	44	0	0	44
Total assets	**68,401,883**	**31,432,325**	**101,912,101**	**201,746,309**
Liabilities				
Financial liabilities at FVTPL - Notes	0	(40,713,957)	(137,274,775)	(177,988,732)
Financial liabilities at FVTPL - Equities	0	0	0	0
Derivative financial liabilities at FVTPL	(644,841)	0	0	(644,841)
Financial liabilities at amortised cost	(9,862,407)	0	(4,281,000)	(14,143,407)
Bank overdrafts	(3,031,768)	0	0	(3,031,768)
Amounts payable on purchase of financial assets	0	0	0	0
Securities lending	0	0	0	0
Interest payable	(5,369,716)	0	0	(5,369,716)
Other liabilities	(564,854)	0	0	(564,854)
Total liabilities	**(19,473,586)**	**(40,713,957)**	**(141,555,775)**	**(201,743,318)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. Financial risk management (continued)

Liquidity risk (continued) 2020	Less than 1 year US$	Between 1 and 5 years US$	Over 5 years US$	Total US$
Assets				
Financial assets at FVTPL	20,219,381	32,525,583	105,528,216	158,273,180
Derivative financial assets at FVTPL	18,357	0	0	18,357
Financial assets at amortised cost	9,612,407	4,000,000	5,401,000	19,013,407
Securities lent	0	0	0	0
Cash and cash equivalents	14,681,135	0	0	14,681,135
Cash collateral	0	0	0	0
Accrued interest from bonds and loans	3,171,807	0	0	3,171,807
Interest receivable	447,936	0	0	447,936
Other assets	389,823	0	0	389,823
Tax payable	50	0	0	50
Total assets	**48,540,896**	**36,525,583**	**110,929,216**	**195,995,695**
Liabilities				
Financial liabilities at FVTPL - Notes	0	(46,877,961)	(124,828,911)	(171,706,872)
Financial liabilities at FVTPL - Equities	0	0	0	0
Derivative financial liabilities at FVTPL	(356,356)	0	0	(356,356)
Financial liabilities at amortised cost	(9,612,407)	(4,000,000)	(5,401,000)	(19,013,407)
Bank overdrafts	(994,070)	0	0	(994,070)
Amounts payable on purchase of financial assets	0	0	0	0
Securities lending	0	0	0	0
Interest payable	(3,517,577)	0	0	(3,517,577)
Other liabilities	(405,310)	0	0	(405,310)
Total liabilities	**(14,885,720)**	**(50,877,961)**	**(130,229,911)**	**(195,993,592)**

Credit risk

Credit risk is the risk that an issuer or a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company relies upon the performance of the investments to enable the Company to meet its obligations under the Notes. Upon a default of one of the investments, the recourse of the related Series of Notes is limited to amounts receivable from the Collateral Assets.

Each Series of Notes constitutes secured, limited recourse obligations of the Issuer, recourse in respect of which is limited to the proceeds of the Collateral Assets relating to such Series. No other assets of the Issuer will be available to satisfy claims of the holders of such Series. Therefore, to the extent that the value of the Collateral Assets fall; payment under the charged assets is not made; the charged assets cannot be sold; or, the relevant security arrangements are not enforceable, the holders of such series will suffer losses.

The Company holds listed equities and bonds, private equity-based investments, loans and hybrid instruments. The loans and private equity assets primarily are exposed to the real estate sector with the direct counterparties located in the following countries: Cayman Islands and USA. The listed financial instruments are traded on the global exchanges. The Company receive updates on the status of its private equity-based investments, loans and hybrids on a periodic basis to assist it in reviewing their performance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. Financial risk management (continued)

Credit risk (continued)

The table below summarises the details of the loans (excluding Hybrids) at 31 December 2021:

31 December 2021			Amount		Secured/
Series	Counterparty	CCY	US$	Maturity	unsecured
S231	Boulevard Costa Sur, S.A.	USD	9,612,407	31/03/2022	Secured
S270	BSC Keane Inc.	USD	4,320,000	06/03/2024	Secured
S271	BSC CRE Income VII Inc.	USD	13,650,000	31/07/2024	Secured
S382	CreateTrade SCF, LLC	USD	5,401,000	23/12/2026	Secured
S396	BSC Income VIII, Inc	USD	25,500,000	30/01/2027	Secured

31 December 2020			Amount		Secured/
Series	Counterparty	CCY	US$	Maturity	unsecured
S222	Diaz & Forti S.A.	USD	4,000,000	28/02/2022	Secured
S231	Boulevard Costa Sur, S.A.	USD	9,612,407	31/03/2021	Secured
S270	BSC Keane Inc.	USD	4,320,000	06/03/2024	Secured
S271	BSC CRE Income VII Inc.	USD	13,650,000	31/07/2024	Secured
S382	CreateTrade SCF, LLC	USD	5,401,000	23/12/2026	Secured
S396	BSC Income VIII, Inc	USD	25,500,000	30/01/2027	Secured

The loan counterparties are unrated. In terms of credit risk, the Company relies on the counterparty observing the terms of the loan (in particular any events of default linked to credit sensitivity of the Borrower). If the Borrower breaches those terms, the loan will be in default and security becoming enforceable. The portfolio manager/arranger performs an expected credit loss (ECL) assessment on the loans advanced by the Company. As at 31 December 2021, there are no material loss allowances for ECL (2020: US$Nil). During the financial year, the S222 loan was extended for another year until 31 March 2022 and subsequent to the financial year end extended to 21 August 2024.

The loans on S254, S270, S271 and S396 are valued at FVTPL together with the equity component of the Hybrid. As at 31 December 2021, the S254 loan amount advanced of US$ 3,498,999 was valued at US$ Nil (2020: US$Nil). See Note 10 for details.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. Financial risk management (continued)

Credit risk (continued)

As at 31 December 2021, bonds held by the Company had the following credit profile, as rated by Standard & Poor's:

Rating	31 Dec 2021	31 Dec 2020
	US$	US$
A	1,340,855	540,445
A-	1,570,653	1,888,076
A+	294,117	308,268
AA	0	512,352
AA-	0	0
AA+	0	507,281
B	0	0
B+	1,204,655	1,072,640
BB	4,645,763	1,991,762
BB-	2,804,707	2,581,563
BB+	3,512,632	2,500,150
BBB	2,945,230	1,936,044
BBB-	5,107,643	4,993,988
BBB+	2,507,079	3,317,323
CCC	1,625,796	0
CCC-	1,986,059	0
CCC+	167,500	1,223,811
D	135,104	
	29,847,793	**23,373,703**

The Portfolio Managers monitor the credit risk relating to positions held in the Interactive broker margin accounts. The Federal Reserve Board and self-regulatory organisations such as the NY Stock exchange and Financial Industry Regulatory Authority sets margin requirements and brokers must operate within these parameters. If the balance in the margin account falls below the maintenance requirement, the broker can issue a margin call requiring the investor to deposit more cash or the broker will liquidate positions to meet the margin call.

The Portfolio Managers monitor the credit risk relating to the debt positions held in each custody account. The Portfolio Manager performs its obligations in accordance with the portfolio management agreement and at the Portfolio Manager's discretion and professional judgement.

The Notes are direct limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of proceeds of realisation of the Collateral Assets. The payment of principal, interest and other amounts in respect of the Notes will be made solely from amounts received in respect of the underlying assets of the relevant series of Notes issued by the Company.

The Company is exposed to credit risk on its cash at bank. The credit risk on cash transactions is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with high credit ratings as assigned by international credit-rating agencies as at 31 December 2021.

Interactive Brokers and Bank of New York have BBB+ and AA- Standard & Poor's long term credit ratings as at 31 December 2021, respectively.

22. Fair value hierarchy of assets and liabilities

IFRS 13 'Fair Value Measurement' specifies that financial instruments which are fair valued through profit or loss, must be classified in accordance with a hierarchy of valuation techniques based on whether the inputs into those valuation techniques are observable (reflecting market value obtained from independent sources) or unobservable (requiring the use of models and assumptions). The two types of inputs have created the following hierarchy:

- Level 1: quoted prices (i.e. unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement of the instrument in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement of the instrument in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the financial asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Company. The Directors consider observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the financial instrument and does not necessarily correspond to the Company's perceived risk inherent in such financial instrument. The Company's financial instruments have been classified within levels 1 and 3.

Level 3 financial assets are assets for which prices are available but for which the majority of inputs are unobservable. The remainder of the Company's investments are classified within level 3 of the fair value hierarchy because there is limited valuation data or quotations received require management judgment. These investments are typically equity positions that trade privately, sufficient data to satisfy the definition of 'observable market quote' is unavailable. Level 3 valuation methodologies include net asset value calculations and utilisation of recent market prices as best estimation of fair valuation.

22. Fair value hierarchy of assets and liabilities (continued)

The Company's financial liabilities at fair value through profit or loss are derived from the fair value of the financial assets and are therefore classified on a consistent basis with those instruments.

The following tables provide an analysis within the fair value hierarchy of financial assets and liabilities, measured at fair value as at 31 December 2021:

As at 31 December 2021	Level 1	Level 2	Level 3	Total
Fair value hierarchy - assets	**US$**	**US$**	**US$**	**US$**
Financial assets at FVTPL	85,856,006	0	89,442,107	175,298,113
Derivative financial assets at FVTPL	74,037	0	0	74,037
Securities lent	0	0	0	0
	85,930,043	**0**	**89,442,107**	**175,372,150**

As at 31 December 2021	Level 1	Level 2	Level 3	Total
Fair value hierarchy - liabilities	**US$**	**US$**	**US$**	**US$**
Financial liabilities at FVTPL - Notes	0	0	(177,988,732)	(177,988,732)
Financial liabilities at FVTPL - Equity	0	0	0	0
Derivative financial liabilities at FVTPL	(644,841)	0	0	(644,841)
	(644,841)	**0**	**(177,988,732)**	**(178,633,573)**

As at 31 December 2020	Level 1	Level 2	Level 3	Total
Fair value hierarchy - assets	**US$**	**US$**	**US$**	**US$**
Financial assets at FVTPL	55,515,868	0	102,757,312	158,273,180
Derivative financial assets at FVTPL	18,357	0	0	18,357
Securities lent	0	0	0	0
	55,534,225	**0**	**102,757,312**	**158,291,537**

As at 31 December 2020	Level 1	Level 2	Level 3	Total
Fair value hierarchy - liabilities	**US$**	**US$**	**US$**	**US$**
Financial liabilities at FVTPL - Notes	0	0	(171,706,872)	(171,706,872)
Financial liabilities at FVTPL - Equities	0	0	0	0
Derivative financial liabilities at FVTPL	(356,356)	0	0	(356,356)
	(356,356)	**0**	**(171,706,872)**	**(172,063,228)**

22. Fair value hierarchy of assets and liabilities (continued)

During the year ended 31 December 2021, there were transfers between levels of the fair value hierarchy following a review of the methodology of allocating the financial assets and financial liabilities to a specific level. Details of such transfers in respect of level 3 assets and liabilities is noted in the below table.

The following table represents the roll forward of the amounts of Level 3 instruments for the financial year ended 31 December 2021:

31 Dec 2021	**Financial assets**	**Financial liabilities**
	US$	**US$**
Opening balance	102,757,312	(171,706,872)
Purchases/issuances	0	(20,035,758)
Sales/redemptions	(665,900)	8,930,654
Foreign exchange adjustment	0	570,221
Gains/(Losses) on assets/Notes	(5,244,881)	4,253,023
Transfers into/out of level 3 due to reclassification at opening value	(7,404,424)	0
Closing balance	**89,442,107**	**(177,988,732)**

31 Dec 2020	**Financial assets**	**Financial liabilities**
	US$	**US$**
Opening balance	77,533,566	(78,798,718)
Purchases/issuances	28,789,729	(53,441,465)
Sales/redemptions	(1,187,200)	17,853,214
Foreign exchange adjustment	898,250	(890,753)
Gains/(Losses) on assets/Notes	(13,007,934)	8,377,346
Transfers into/out of level 3 due to reclassification at opening value	9,730,901	(64,806,495)
Closing balance	**102,757,312**	**(171,706,872)**

The impact on the fair value of Level 3 financial instruments of using reasonably possible alternative assumptions for the inputs is difficult to assess and cannot be reliably estimated given the private illiquid nature of the underlying investments.

The valuation techniques and unobservable inputs used for Level 3 assets are as follows with the valuation of the corresponding Series being based on the asset valuation less fees accrued.

a) Wrappers/Hybrid - Property
Technique: Fair value assessment including appraisal of industrial, commercial, and residential zoned real estate, plus entity's cash flows and costs.
Unobservable inputs: Recent market prices as best estimation of fair value.

b) Wrappers/Hybrid – private assets
Technique: Fair value of portfolio of assets plus entity's cash flows and costs.
Unobservable inputs: Recent market prices as best estimation of fair value – Private Placements and other securities

c) Wrappers – Traded instruments
Technique: Fund administrator reports detailing fair valuation of cash and liquid securities of the Fund, including Common Stocks, Exchange Traded Funds, Derivative contracts, and Corporate and Sovereign Bonds.
Unobservable inputs: NAV from fund administrator.

22. Fair value hierarchy of assets and liabilities (continued)

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value at 31 December 2021 but for which fair value is disclosed:

As at 31 December 2021	Level 1	Level 2	Level 3	Total
Assets	**US$**	**US$**	**US$**	**US$**
Cash and cash equivalents	5,807,116	0	0	5,807,116
Cash collateral	0	0	0	0
Accrued interest from bondsand loans	0	5,281,720	0	5,281,720
Interest receivable	0	238,072	0	238,072
Other assets	0	1,153,800	0	1,153,800
Tax refund receivable	44	0	0	44
	5,807,160	**6,673,592**	**0**	**12,480,752**

As at 31 December 2020	Level 1	Level 2	Level 3	Total
Assets	**US$**	**US$**	**US$**	**US$**
Cash and cash equivalents	14,681,135	0	0	14,681,135
Cash collateral	0	0	0	0
Accrued interest from bonds and loans	0	3,171,807	0	3,171,807
Interest receivable	0	447,936	0	447,936
Other assets	0	389,823	0	389,823
Tax refund receivable	50	0	0	50
	14,681,135	**4,009,566**	**0**	**18,690,751**

The carrying value of cash and cash equivalents, cash collateral, accrued interest from bonds, interest receivable, other assets, amounts payable on purchase of financial assets, interest payable and other liabilities is deemed to be the best approximation of their fair value due to their short-term nature.

23. Related party transactions

The Directors received no remuneration from the Company in respect of qualifying services rendered during the financial period. Interes Trust Management Limited acts as security trustee. Its sister company, Intertrust Finance Management (Ireland) Ltd, acts as corporate service provider and a portion of their fees represents directorship services provided by the Directors of the Company who are also employees of the corporate service provider. The fees to the aforementioned companies during the financial year were US$103,318 (2020: US$200,859). The Directors are not paid directly by the Company but their directorship services are reflected in their salary received from the corporate service provider.

24. Subsequent events

Subsequent to the year end the Company continued to issue new Series and the following events arose in respect of Series in issue at the financial year end:
- S230 and S314 which invested in listed financial instruments and S243 which was a wrapper investment were wound down and the respective Notes redeemed;
- S227 was redeemed in full by way of transfer of the underlying S227 assets to the holder of the S227 Notes;
- the loan underlying S231 was extended to 21 August 2024;
- The maturity of S270 was extended to 5 March 2025, and,
- the real estate assets that ultimately act as collateral for S271 were substantially revalued downwards with the result that the Company's share of the assets was valued at Nil. Accordingly, the Company has valued its corresponding S271 Notes position at Nil.

25. Capital management

The share capital of the Company is EUR 1. This was issued in line with Irish company law and is not used for financing the investing activities of the Company. The Company is not subject to any other externally imposed capital requirements.

26. Contingent Liabilities

The Company does not have any contingent liabilities or commitments at 31 December 2021.

27. Approval of the financial statements

The financial statements were approved by the Board and authorised for issue on 22 January 2024.