

**CLEARANCE CAMINO FUND LIMITED**

**ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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**CORPORATE INFORMATION**

**Directors**

Michael Fienberg (Independent Non-Executive)  
Simon Cox (Independent Non-executive)  
David Axten (Independent Non-executive)  
Wessel Hamman (Non-executive)  
Charl Cloete (alternate Director for Wessel Hamman)

**Registered Office**

PO Box 255  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey  
GY1 3QL  
Channel Islands

**Investment Manager & Investment Advisor**

Clearance Capital Limited  
26 Throgmorton Street  
London  
EC2N 2AN  
United Kingdom

**Administrator, Secretary, Transfer Agent & TISE Listing Sponsor**

Northern Trust International Fund Administration  
Services (Guernsey) Limited  
PO Box 255  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey  
GY1 3QL  
Channel Islands

**South Africa Representative**

Sanlam Collective Investments (RF) (Pty) Ltd  
2 Strand Road  
Bellville, 7530  
South Africa

**Guernsey Legal Advisers**

Carey Olsen  
Carey House, Les Banques  
St Peter Port  
Guernsey  
GY1 4BZ  
Channel Islands

**UK Legal & Tax Advisers**

Schulte Roth & Zabel LLP  
One Eagle Place  
London SW1Y 6AF  
United Kingdom

**Custodian, Depo-Lite Provider & Principal Banker**

BNP Paribas Securities Services SCA, Guernsey Branch  
BNP Paribas House, St Julian's Avenue  
St Peter Port  
Guernsey  
GY1 1WA  
Channel Islands

**Independent Auditor**

Deloitte LLP  
PO Box 137  
Regency Court  
Glatigny Esplanade  
St Peter Port  
Guernsey  
GY1 3HW  
Channel Islands

# CLEARANCE CAMINO FUND LIMITED

## INVESTMENT MANAGER'S REPORT FOR THE YEAR ENDED 31 MARCH 2020

The movement in the net asset value of Clearance Camino Fund Limited's (the "Company") shares during the year ended 31 March 2020 amounted to the following:

Share class	Currency	Net return for the year ended 31 March 2020*
Class A Euro Shares	Euro	-2.3%
Class B Euro Shares	Euro	-3.0%
Class C Euro Shares	Euro	-1.4%
Class A Sterling Shares	Pound Sterling	-0.1%
Class B Sterling Shares	Pound Sterling	-0.2%
Class C Sterling Shares	Pound Sterling	-0.2%
Class A US Dollar Shares	US Dollars	-4.5%
Class B US Dollar Shares	US Dollars	-5.4%

During the same period, the Company's Euro-denominated benchmark, the FTSE/EPRA NAREIT Developed Europe Net Total Return Index ("EPRA"), and the broader European equity markets, represented by the Eurostoxx 50 Net Total Return Index ("Eurostoxx"), posted the following returns:

Index	Currency	Net return for the year ended 31 March 2020
FTSE/EPRA NAREIT Developed Europe Net Total Return Index	Euro	-16.2%
Eurostoxx 50 Net Total Return Index	Euro	-14.7%

\* The above percentages are calculated based on the increase in the NAV price per each share class expressed over the prior year's NAV price per each share class.

Following the market correction in the final quarter of 2018, 2019 started on a cautious note driven by global trade tensions, Brexit uncertainty, and a global industrial and manufacturing slowdown. During 2019, we saw further declines in sovereign bond yields, as the European Central Bank announced fresh monetary stimulus in September and the Federal Reserve cut the Federal Funds rate in July, September, and October leading European equity markets as measured by the EPRA and Eurostoxx indices to rise significantly during the first ten months of the financial year, posting returns of 15.1% and 11.2% respectively during the ten months ended 31 January 2020.

During the final two months of the financial year, the EPRA and Eurostoxx indices declined by 27.2% and 23.3% respectively as the outbreak of COVID-19 in 2020 had a deep impact on the global economy amidst large scale monetary and fiscal stimulus packages announced by the major economies.

**INVESTMENT MANAGER'S REPORT FOR THE YEAR ENDED 31 MARCH 2020  
(CONTINUED)****Investment portfolio**

As at 31 March 2020, the investment portfolio was exposed to properties located in the following regions and exposed to the following sectors:

	<b>Exposure as portion of net asset value as at 31 March 2020</b>	<b>Exposure as portion of net asset value as at 31 March 2019</b>
<b>Region</b>		
Germany	29%	21%
United Kingdom	21%	25%
Nordic countries	18%	18%
France	16%	18%
Iberia	4%	4%
Benelux	9%	5%
Other regions	3%	9%
<b>Sector</b>		
Retail	10%	11%
Office	29%	26%
Industrial and logistics	17%	16%
Residential	26%	22%
Other	18%	25%

**Outlook**

Equity markets have continued their rebound from the March lows, buoyed by large scale central bank and government intervention and more recently by hopes that the gradual reopening of the major developed economies will not result in a renewed outbreak of COVID-19. A second wave is a major risk and could cause real volatility in equity markets, although investors in general are hoping that large-scale investments made by governments in testing, tracing and isolating new cases will leave them better prepared to deal with another outbreak without having to shut down economies again for months. Parts of the real estate markets, specifically those exposed to retail, food & beverage, leisure and hospitality have been hardest hit by the COVID-19 crisis, leading to its relative underperformance compared to general equity markets. As economies reopen there is scope for these sectors to recover, although the consensus expectation is for a gradual recovery. In the near term the greatest risk certainly seems a second wave of new outbreaks across Western Europe and the United States. To this end, the Company continues to favour more defensive sectors and companies where the Investment Manager's modelling for base and bear case scenarios indicates the best risk-adjusted return prospects.

## **CLEARANCE CAMINO FUND LIMITED**

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### **REPORT OF THE CUSTODIAN**

In respect of the year 1 April 2019 to 31 March 2020, we state that in our opinion, Northern Trust International Fund Administration Services (Guernsey) Limited has in all material respects managed the Company:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the principal documents, by the scheme particulars and by the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended; and
- (ii) in accordance with the provisions of the Principal Documents, Scheme Particulars and the Authorised Collective Investment Schemes (Class B) Rules 2013.

BNP Paribas Securities Services SCA, Guernsey Branch  
BNP Paribas House  
St Julian's Avenue  
St Peter Port  
Guernsey

7 August 2020



### **REPORT OF THE DEPOSITARY**

As Depositary we are responsible for carrying out duties set out in Article 21 paragraphs (7) (8) & (9) of the AIFMD and can confirm that monitoring has taken place to ensure that Clearance Capital Limited (the AIFM) are compliant with Article 21 paragraphs (7) (8) & (9) for the year ended 31 March 2020, and that we have no matters of concern to report.

BNP Paribas Securities Services SCA, Guernsey Branch  
BNP Paribas House  
St Julian's Avenue  
St Peter Port  
Guernsey

7 August 2020



## **REPORT OF THE DIRECTORS**

The Directors present their report and the audited financial statements for the year ended 31 March 2020.

### **INCORPORATION**

Clearance Camino Fund Limited (the “Company”) was incorporated in Guernsey, Channel Islands on 3 June 2010.

### **ACTIVITIES**

The Company is an open-ended investment fund. Its main activity is to pursue investment opportunities by investing primarily, but not exclusively, in the listed European property sector in accordance with its investment objectives and it may seek to gain exposure to both equity and debt instruments issued by companies in this sector. The Company's objective is to deliver attractive risk adjusted returns in excess of its benchmark, the FTSE EPRA/NAREIT Developed Europe Net Total Return Index (Effective from 1 October 2017).

Clearance Capital Limited acts as the Company's alternative investment fund manager in line with the requirement of the Alternative Investment Fund Managers Directive (“AIFMD”).

### **RISKS AND UNCERTAINTIES**

Note 14 to the financial statements outlines the Company's objectives, policies and procedures for managing its market, interest, liquidity, credit, country and currency risk.

### **SIGNIFICANT EVENTS DURING THE YEAR**

During the first quarter of the 2020 calendar year, the COVID-19 pandemic broke out globally. The pandemic and the public policy response, including extensive monetary and fiscal measures taken by major economies, had a dramatic impact on the global financial markets. In response to the emerging trends in the operating environment faced by the companies in the Company's investment universe, the Investment Manager made changes to the Company's portfolio to reduce the exposure to the potential impact of further market declines. The Investment Manager developed base and bear case valuations for the majority of the companies in the Company's investment universe by value. The Investment Manager's operations have continued uninterrupted as work-from-home government guidance in the United Kingdom have been followed, and the Manager's financial viability has not been drawn into question. The Board has been monitoring the activities of the Company as the crisis has unfolded to ensure the appropriate risk management steps were taken. Whilst the full impact of the COVID-19 pandemic on individuals, communities, companies and the global economy is uncertain and likely to be significant, the Company remains well-placed to generate risk-adjusted returns above its benchmark for its shareholders.

The presentation of these Financial Statements has not been impacted by COVID-19 apart from an additional disclosure under the headings of ‘Significant Events’ in both the Directors Report and Note 16 in ‘Notes to the Financial Statements’.

There have been no other significant events during the year.

### **SIGNIFICANT EVENTS SINCE THE YEAR-END**

There have been no events since the year end date, which, in the opinion of the Directors of the Company may have an impact on the financial statements for the year ended 31 March 2020.

The Directors note the developing situation regarding the Coronavirus (“COVID-19”) pandemic and will continue to monitor the impact of the pandemic on the Company's performance. Since 31 March 2020, there have been no significant negative movements in net asset value or significant redemptions from the Fund.

### **RESULTS AND DIVIDENDS**

The total comprehensive (loss)/income for the year amounted to (€464,993) (31 March 2019: €4,401,411).

The Directors do not recommend a dividend for the year (31 March 2019: €Nil).

## **REPORT OF THE DIRECTORS (CONTINUED)**

### **INDEPENDENT AUDITOR**

Deloitte LLP was originally appointed as auditor on 23 September 2010. A resolution to re-appoint Deloitte LLP will be proposed at the Annual General Meeting.

Each of the persons who is a Director at the date of approval of the financial statements confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps he ought to have taken as Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 249 of the Companies (Guernsey) Law, 2008.

### **DIRECTORS**

The Directors who held office throughout the year and up to the date of approval of the financial statements were:

Michael Fienberg

Simon Cox

David Axten

Wessel Hamman

Charl Cloete (alternate Director for Wessel Hamman)

The Directors do not have any direct financial interest in the Company.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008, the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, The Authorised Collective Investment Schemes (Class B) Rules 2013 and the Principal Documents. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey and the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The board of Directors confirms that, throughout the period covered by the financial statements, the Company complied with the Code of Corporate Governance issued by the Guernsey Financial Services Commission, to the extent it was applicable based upon its legal and operating structure and its nature, scale and complexity.



**REPORT OF THE DIRECTORS (CONTINUED)**

**EU ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE**

Under European Law, the Company is considered to be an Alternative Investment Fund (“AIF”) under the AIFMD and has appointed Clearance Capital Limited as the Company’s external AIFM. The Company operates as an externally managed non-EEA domiciled AIF with an EEA AIFM for the purposes of the AIFM Directive. The Company is not required to seek authorisation under the AIFM Directive. However, following national transposition of the AIFM directive in a given EU member state, the marketing of shares in non-EEA AIF (such as the Company) to investors in that EU member state is prohibited unless certain conditions are met. One such condition is that the Company appoints a depositary to perform the following functions: (i) monitor the Company’s cash-flows; (ii) ensure that the Company’s assets are held in custody appropriately; and (iii) oversee the sale, issue, repurchase, redemption, and cancellation of the Company’s shares. The Company has appointed BNP Paribas Securities Services SCA – Guernsey Branch as its depositary. The AIFM will file a notification with the FCA pursuant to Article 42 of the AIFM Directive prior to marketing the shares in the UK under the UK national private placement regime. The AIFM will also file such a notification in any EU country where the AIFM commences marketing of the Company’s shares. The marketing of a non-EEA AIFM in the EEA by a UK AIFM following the UK’s exit from the UK will depend on the terms of the exit agreement, if any.

**SECRETARY**

The Secretary of the Company is Northern Trust International Fund Administration Services (Guernsey) Limited.

**REGULATION**

The Company is regulated by the Guernsey Financial Services Commission as an authorised Class B scheme. It is also listed on The International Stock Exchange.

**Brexit**

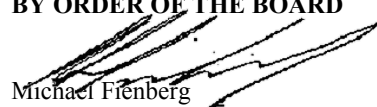
The Board is monitoring the impact that the UK’s withdrawal from the European Union will have on the Company. At this stage, the Board is not aware of any regulatory development that would have a material negative impact on the Company’s continued operation.

**GOING CONCERN**

The recent outbreak of Coronavirus (Covid 19) which was declared a pandemic, has caused major economic uncertainty which may negatively impact the liquidity position of the investment portfolio and there may be delays in the receipt of funds from the disposal of the investments. However the Directors believe this risk to be low and are confident that the Company is a going concern, adopting the going concern basis in the preparation of the financial statements. Further details are provided in note 16.

After making all reasonable enquiries and having regard to the nature of the Company and its investments, the Directors are satisfied based on information available to them at the present time, that it is appropriate to adopt the going concern basis in preparing the financial statements and, after due consideration, the Directors consider that the Company is able to continue in the foreseeable future. There has been no significant impact of COVID 19 on current operations. A further discussion on the liquidity profile of the Company is contained in the Financial Risk Management Objectives and Policies note to these financial statements, refer to note 14.

**BY ORDER OF THE BOARD**



Michael Fienberg  
Director

7 August 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARANCE CAMINO FUND LIMITED**

Report on the audit of the financial statements

## Opinion

In our opinion the financial statements of Clearance Camino Fund Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008, the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Principal Documents.

We have audited the financial statements which comprise:

- the statement of financial position;
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flow; and
- the notes to financial statement 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as issued by the IASB.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described 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 the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Summary of our audit approach

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**Key audit matters**

The key audit matters that we identified in the current year were:

- Valuation of the Company's Investment portfolio, including the accuracy of the unrealised gain on appreciation of investments; and
- Revenue recognition in relation to the completeness and accuracy of dividend income and realised gain on disposal of investments.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARANCE CAMINO FUND LIMITED (CONTINUED)**

**Summary of our audit approach (continued)**

<b>Materiality</b>	The materiality that we used in the current year was €698,000 which was determined on the basis of 2% of Net Asset Value.
<b>Scoping</b>	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
<b>Significant changes in our approach</b>	There have been no significant changes in our audit approach, other than to consider the impact of the Covid-19 pandemic on the identified key audit matters below and our reliance on controls in our testing of revenue and investments.

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**Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Valuation of the Company's Investment Portfolio, including te accuracy of the unrealised gain on appreciation of Investments**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARANCE CAMINO FUND LIMITED (CONTINUED)****Key audit matters (continued)**

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**Key audit matter description**

The company holds an Investment Portfolio with a Fair Value of €33,792,350 as at 31 March 2020 (2019: €37,790,600). The Investment portfolio comprises of European property sector equity securities all of which are listed on recognised stock exchanges, as disclosed in Note 3 to the financial statements and in the portfolio statement on page 40. These investments make up the majority of the Company's net assets and any misstatement could significantly impact the Net Asset Value ('NAV') of the Company.

Investments are the most quantitatively significant balance and are an area of focus because they are the main driver of the Company's performance and NAV. As explained in Note 2 to the financial statements, the Company's accounting policy is to measure its investments at fair value.

The fair value of listed securities as at 31 March 2020 is deemed by the directors to be the bid market price at the reporting date and the directors believe that the bid price is the best estimate of fair value in accordance with IFRS 13 'Fair Value Measurement'. There is a risk that investments are not appropriately valued in accordance with the accounting policy and independent market values.

The investments comprise of some equity securities which are denoted in other currencies that are not the Company's reporting currency i.e. Euro, hence there is a risk that the valuation is misstated due to inclusion of investments translated an incorrect rate.

Valuation of the investment portfolio is also affected by the unrealised gains/(losses) on the investments. There is a risk that the unrealised gains on the investments at year end are not computed accurately particularly in light of the impact of Covid-19 on the markets which resulted in a significant unrealised loss on investments as at 31 March 2020 of (€6,907,076) (2019: €634,033) being recorded.

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**How the scope of our audit responded to the key audit matter**

To test the valuation of investments and associated unrealised gain/(loss) movement including the impact of Covid-19, we performed the following procedures:

- Obtained an understanding of the relevant controls relating to the valuation of investments, including relevant controls adopted by the Company's administrator;
  - Assessed management's valuation policy and methodology adopted and compared this to IFRS and industry practice;
  - Reconciled the number of underlying equity shares held by the Company at the year end date to independent custodian confirmations;
  - Obtained independent market pricing information from Refinitiv - Eikon Financial Analysis as at 31 March 2020 and traced unit prices of all investments to trading platforms. We also reviewed the trading volumes of the securities held to assess whether they actively traded on the market;
  - Tested the initial cost and cut-off of investment transactions by agreeing the purchase and sale of a sample of equity shares to independent confirmations received from the custodian;
  - Performed detailed testing on purchases and sales made around year end to assess whether transactions had been recorded on the correct period;
  - Tested the reasonableness of exchange rates used in converting investments denominated in currencies other than the Euro by comparing rates used to independent sources;
  - Recalculated the movement in the unrealised gain/ (loss) for the year by subtracting the cost of the investments held at year end from the fair value; and
  - Held conversations with the investment manager to understand the impact of Covid-19 on the investment portfolio and steps taken to address this up to and post the Company's year end.
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARANCE CAMINO FUND LIMITED (CONTINUED)****Key audit matters (continued)**

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<b>Key observations</b>	Based on the work performed we concluded that the valuation of investments and the accuracy of the unrealised gain/(loss) movement included in the investment valuation is appropriate.
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**Revenue recognition in relation to the completeness and accuracy of dividend income and realised gains on disposal of investments**

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<b>Key audit matter description</b>	<p>The Company has revenue of €768,955 as at 31 March 2020 (2019: €5,707,841). The material revenue streams are the movement in net unrealised losses on investments (see key audit matter above relating to valuation of investments), dividend income and realised gains on disposal of investments hence any misstatement in these balances could significantly impact the results on the performance of the Company.</p> <p>We have focused our key audit matter on the completeness and accuracy of dividend income and realised investment gains arising from the investment portfolio as there is a risk that inaccurate or incomplete recognition of income could result in misstatement of the Company's revenue which could result in incorrect results being posted with regards to the Company's performance.</p> <p>There was a net realised gain on investments of €6,496,880 (2019: €3,931,061). The gains relate to the disposal of investments in the European property sector during the year. Details of the realised gain are disclosed in Note 3 to the financial statements and the Portfolio Statement included on page 40. The Company received dividend income of €1,137,122 (2019: €1,193,837) from its listed investment securities. The Company's accounting policy for recognition of dividend income and realised gains and losses is discussed in note 2 to the financial statements.</p> <p>The impact of Covid-19 on European quoted investments primarily started in March 2020 and the majority of the Company's revenue had been earned by that point hence limited impact expected on revenues earned in March 2020. There is however the risk that sales made during this period may be incorrectly booked due to remote working.</p>
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARANCE CAMINO FUND LIMITED (CONTINUED)**

**Key audit matters (continued)**

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**How the scope of our audit responded to the key audit matter**

In order to test the realised gain/(loss) balance as at 31 March 2020 we obtained an understanding of the relevant controls associated with revenue recognition, and in addition we performed the following procedures:

*Realised gains/(losses)*

- Tested the realised gains/(losses) to custodian confirmation and bank payments to assess whether the amount being used to calculate the gains/(losses) is based on what has actually been received;
- Recalculated the realised gain/(loss);
- Reviewed March 2020 transactions to address the risk of error in relation to the Covid-19 pandemic, which included testing a sample of disposals made in that month to assess whether they had been recorded accurately; and
- Checked whether the initial cost of the investment had been correctly recorded by comparing the opening cost being used to calculate the gains/losses against the original cost when the investments were purchased in prior years.

*Dividend income*

- Agreed the dividend amount to independently received corporate actions on a sample basis;
- Agreed the received dividends to Bank Statements;
- Obtained independent confirmation on the ex-dividend dates and dividend per share for the equity securities held over the year from an independent source. This was used to recalculate the dividends received on a sample basis. Using the independent confirmation we checked that dividend income had been recognised as revenue in the correct accounting period for all ex-dividend dates for 31 March 2020; and
- Considered the impact of Covid-19 on the Company's dividend income streams for March 2020 by reviewing the ex-dividend dates for all of the investments and comparing to the dividends that had been received and recorded to date.

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**Key observations**

Based on the work performed we concluded that the revenue recognition is appropriate.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARANCE CAMINO FUND LIMITED (CONTINUED)**

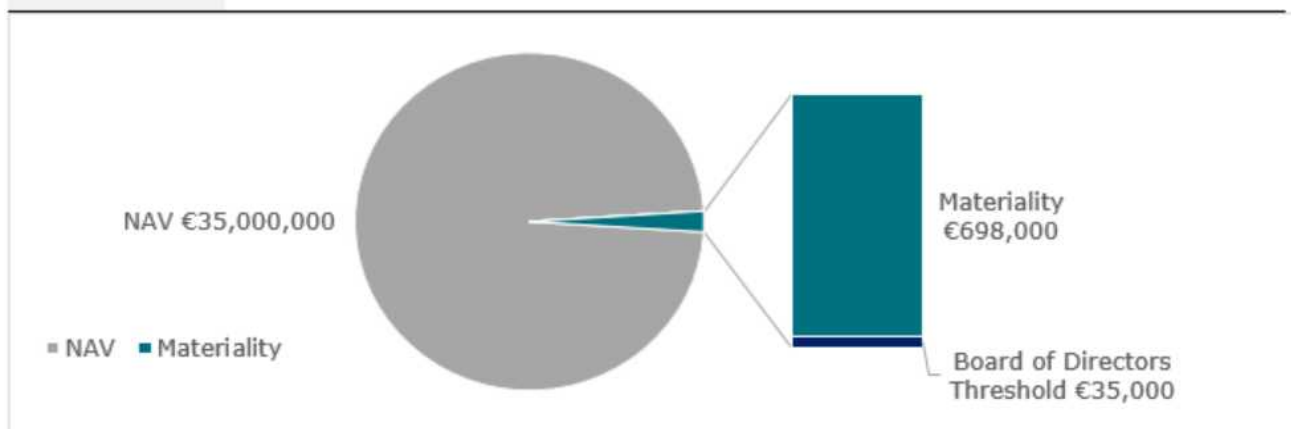
**Our application of materiality**

**Materiality**

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Materiality</b>	€698,000 (2019: €765,700)
<b>Basis for determining materiality</b>	2% of Net Asset Value (2019: 2% of Net Asset Value)
<b>Rationale for the benchmark applied</b>	Our materiality is based on the Net Asset Value of the Company, we considered this to be an appropriate benchmark as the Company's aim is to deliver attractive risk adjusted returns whilst seeking to preserve capital and therefore shareholder focus will be on the Net Asset Value of the company which is driving the investment returns.



**Performance materiality**

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered the quality of the control environment and whether we were able to rely on controls. We also considered that there was no history of misstatements in the prior period.

**Error reporting threshold**

We agreed with the Board of Directors that we would report to the Board all audit differences in excess of €34,900 (2019: €38,300), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARANCE CAMINO FUND LIMITED (CONTINUED)**

## An overview of the scope of our audit

### **Scoping**

Our audit was scoped by obtaining an understanding of the Company and its environment, including assessing internal controls and the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

### **Our consideration of the control environment**

The Company is administered by a Guernsey regulated service organisation and, as part of our audit procedures we obtained an understanding of the relevant controls in operation at service provider that impacted our audit and based on our understanding and review of the relevant controls identified in the service organisation's system and organization controls ("SOC 1") report which are applicable to the risks we identified, we took a controls reliance approach on relevant controls in our revenue and investment testing.

### **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, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 respect of these matters.

## Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARANCE CAMINO  
FUND LIMITED (CONTINUED)**

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

### **Matters on which we are required to report by exception**

#### **Adequacy of explanations received and accounting records**

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

## Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. 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.



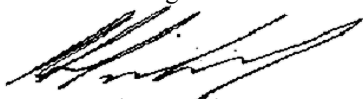
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Stuart Crowley FCA  
For and on behalf of Deloitte LLP  
Recognised Auditor  
Guernsey  
7 August 2020

**CLEARANCE CAMINO FUND LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

	<b>Notes</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
		€	€
<b>CURRENT ASSETS</b>			
Investments held at fair value through profit or loss	3	33,792,350	37,790,600
Dividends receivable		84,758	127,557
Securities sold receivable		649,304	442,383
Other receivables and prepayments	5	8,522	21,105
Cash and cash equivalents	4	1,140,241	1,038,240
Capital shares receivable		695,075	-
<b>TOTAL ASSETS</b>		<b>36,370,250</b>	<b>39,419,885</b>
<b>CURRENT LIABILITIES</b>			
Capital shares payable		565	-
Securities purchased payable		870,319	449,093
Other payables and accrued expenses	6	586,564	684,309
<b>TOTAL LIABILITIES</b>		<b>1,457,448</b>	<b>1,133,402</b>
<b>EQUITY SHARE CAPITAL</b>	7	<b>34,912,802</b>	<b>38,286,483</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,370,250</b>	<b>39,419,885</b>
<b>Net asset value per Class A Euro Share</b>	7	€ 2.1823	2.2344
<b>Net asset value per Class A Sterling Share</b>	7	£ 2.2200	2.2215
<b>Net asset value per Euro Management Class Share</b>	7	€ 2.5131	2.5556
<b>Net asset value per Class A US Dollar Share</b>	7	US\$ 1.0404	1.0899
<b>Net asset value per Class B Sterling Share</b>	7	£ 1.0799	1.0822
<b>Net asset value per Class B Euro Share</b>	7	€ 1.0713	1.1047
<b>Net asset value per Class B US Dollar Share</b>	7	US\$ 0.9773	1.0334
<b>Net asset value per Class C Sterling Share</b>	7	£ 1.1198	1.1220
<b>Net asset value per Class C Euro Share</b>	7	€ 1.1461	1.1626

The financial statements were approved and authorised for issue by the Board of Directors on the 7 August 2020 and were signed on its behalf by:

  
**Director: Michael Fienberg**

*(The notes on pages 24 to 39 form an integral part of these financial statements)*

# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 MARCH 2020

	Notes	1 April 2019 to 31 March 2020 €	1 April 2018 to 31 March 2019 €
<b>INCOME</b>			
Dividend income	2	1,137,122	1,193,837
Interest income	2	364	126
Net realised gain from investments	3	6,496,880	3,931,061
Movement in net unrealised (loss)/gain on investments	3	(6,907,076)	634,033
Foreign exchange gains/(losses)	2	41,665	(51,216)
		<u>768,955</u>	<u>5,707,841</u>
<b>EXPENDITURE</b>			
Interest expense	2	5,020	10,699
Administration fee	10	57,389	57,103
Audit fee		23,166	22,841
Custodian fee	10	72,299	59,659
Depository fee	10	25,198	30,135
Directors fees	10	55,743	29,009
Legal and Professional fees		8,531	7,061
Listing fee		8,204	2,919
Management fee	10	431,459	403,477
Performance fees	10	277,054	351,832
Regulatory fee		7,388	9,403
Research fees		19,293	12,880
Start up costs	2	-	22,104
Sundry expense		44,542	28,960
		<u>1,035,286</u>	<u>1,048,082</u>
<b>TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR BEFORE TAX</b>		<u>(266,331)</u>	<u>4,659,759</u>
Withholding tax	12	198,662	258,348
<b>TOTAL COMPREHENSIVE (LOSS)/PROFIT</b>		<u>(464,993)</u>	<u>4,401,411</u>
<b>Earnings Per Share - Class A Euro Shares</b>	€	0.1304	0.2684
Based on Weighted Average Number of shares:		3,005,363	3,484,487
<b>Earnings Per Share - Class A Sterling Shares</b>	£	0.1273	0.8731
Based on Weighted Average Number of shares:		1,755,377	2,594,697
<b>Earnings Per Share - Euro Management Class Shares</b>	€	0.0995	0.3135
Based on Weighted Average Number of shares:		77,957	216,557

The results from the current and prior year are derived from continuing operations.

*(The notes on pages 24 to 39 form an integral part of these financial statements)*

**CLEARANCE CAMINO FUND LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020**

		<b>1 April 2019 to 31 March 2020</b>	<b>1 April 2018 to 31 March 2019</b>
<b>Earnings Per Share - Class A US Dollar Shares</b>	US\$	0.1507	0.0629
Based on Weighted Average Number of shares:		596,856	684,925
<b>Earnings Per Share - Class B Sterling Shares</b>	£	(0.0022)	(0.0522)
Based on Weighted Average Number of shares:		8,556,989	8,507,222
<b>Earnings Per Share - Class B Euro Shares</b>	€	(0.1589)	0.1038
Based on Weighted Average Number of shares:		2,964,690	1,860,851
<b>Earnings Per Share - Class B US Dollar Shares</b>	US\$	(0.2406)	0.1113
Based on Weighted Average Number of shares:		1,927,433	852,963
<b>Earnings Per Share - Class C Sterling Shares</b>	£	0.1282	0.2485
Based on Weighted Average Number of shares:		1,103,007	2,300,490
<b>Earnings Per Share - Class C Euro Shares</b>	€	(0.0017)	0.1198
Based on Weighted Average Number of shares:		5,893,811	5,883,250

The results from the current and prior year are derived from continuing operations.  
*(The notes on pages 24 to 39 form an integral part of these financial statements)*

# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 MARCH 2020

	SHARE CAPITAL ACCOUNT	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 April 2019	26,715,522	11,570,961	38,286,483
Shares issued	8,772,215	-	8,772,215
Shares redeemed	(11,680,903)	-	(11,680,903)
Loss for the year	-	(464,993)	(464,993)
Balance as at 31 March 2020	€ 23,806,834	11,105,968	34,912,802

	SHARE CAPITAL ACCOUNT	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 April 2019	2,393,123	4,619,428	7,012,551
Shares issued	296,593	-	296,593
Shares redeemed	(2,646,680)	-	(2,646,680)
Profit for the year	-	391,997	391,997
Balance as at 31 March 2020	€ 43,036	5,011,425	5,054,461

#### Class A Sterling Shares\*

Balance at 1 April 2019	-	4,243,690	4,243,690
Shares issued	103,881	-	103,881
Shares redeemed	(1,399,730)	-	(1,399,730)
Profit for the year	-	169,251	169,251
Foreign exchange gain	-	54,278	54,278
Balance as at 31 March 2020	£ (1,295,849)	4,467,219	3,171,370

#### Euro Management Class Shares\*

	€	€	€
Balance at 1 April 2019	487,475	194,060	681,535
Shares redeemed	(563,632)	-	(563,632)
Profit for the year	-	7,753	7,753
Balance as at 31 March 2020	€ (76,157)	201,813	125,656

#### Class A US Dollar Shares\*

Balance at 1 April 2019	719,864	44,107	763,971
Shares issued	25,000	-	25,000
Shares redeemed	(600,683)	-	(600,683)
Profit for the year	-	110,118	110,118
Foreign exchange loss	-	(20,195)	(20,195)
Balance as at 31 March 2020	US\$ 144,181	134,030	278,211

\* Note - the Sterling Class Shares figures are presented here in £ Sterling, the Dollar Class Share figures are presented here in US\$ while the Euro classes are presented in Euro.

*(The notes on pages 24 to 39 form an integral part of these financial statements)*

# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

	SHARE CAPITAL ACCOUNT	RETAINED EARNINGS	TOTAL EQUITY
<b>Class B Sterling Shares*</b>			
Balance at 1 April 2019	10,033,866	(439,792)	9,594,074
Shares issued	2,387,880	-	2,387,880
Shares redeemed	(2,236,631)	-	(2,236,631)
Loss for the year	-	(340,220)	(340,220)
Foreign exchange gain	-	321,540	321,540
Balance as at 31 March 2020	£ 10,185,115	(458,472)	9,726,643
<b>Class B Euro Shares*</b>			
Balance at 1 April 2019	2,972,318	198,171	3,170,489
Shares issued	2,588,646	-	2,588,646
Shares redeemed	(737,285)	-	(737,285)
Loss for the year	-	(471,191)	(471,191)
Balance as at 31 March 2020	€ 4,823,679	(273,020)	4,550,659
<b>Class B US Dollar Shares*</b>			
Balance at 1 April 2019	907,449	96,044	1,003,493
Shares issued	3,145,851	-	3,145,851
Shares redeemed	(165,409)	-	(165,409)
Loss for the year	-	(416,310)	(416,310)
Foreign exchange loss	-	(47,491)	(47,491)
Balance as at 31 March 2020	US\$ 3,887,891	(367,757)	3,520,134
<b>Class C Sterling Shares*</b>			
Balance at 1 April 2019	1,507,036	598,391	2,105,427
Shares issued	123,413	-	123,413
Shares redeemed	(1,665,690)	-	(1,665,690)
Profit for the year	-	76,649	76,649
Foreign exchange gain	-	64,720	64,720
Balance as at 31 March 2020	£ (35,241)	739,760	704,519
<b>Class C Euro Shares*</b>			
Balance at 1 April 2019	6,558,535	787,458	7,345,993
Shares redeemed	(987,205)	-	(987,205)
Loss for the year	-	(10,031)	(10,031)
Balance as at 31 March 2020	€ 5,571,330	777,427	6,348,757

\* Note - the Sterling Class Shares figures are presented here in £ Sterling, the Dollar Class Share figures are presented here in US\$ while the Euro classes are presented in Euro.

*(The notes on pages 24 to 39 form an integral part of these financial statements)*

# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

	SHARE CAPITAL ACCOUNT	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 April 2018	27,714,675	7,169,550	34,884,225
Shares issued	19,496,755	-	19,496,755
Shares redeemed	(20,495,908)	-	(20,495,908)
Profit for the year	-	4,401,411	4,401,411
Balance as at 31 March 2019	€ 26,715,522	11,570,961	38,286,483

	SHARE CAPITAL ACCOUNT	RETAINED EARNINGS	TOTAL EQUITY
<b>Class A Euro Shares*</b>			
Balance at 1 April 2018	4,637,755	3,684,363	8,322,118
Shares issued	291,130	-	291,130
Shares redeemed	(2,535,762)	-	(2,535,762)
Profit for the year	-	935,065	935,065
Balance as at 31 March 2019	€ 2,393,123	4,619,428	7,012,551

<b>Class A Sterling Shares*</b>			
Balance at 1 April 2018	10,407,606	3,664,236	14,071,842
Shares issued	62,120	-	62,120
Shares redeemed	(12,155,725)	-	(12,155,725)
Profit for the year	-	853,221	853,221
Transfer between reserves	1,685,999	(1,685,999)	-
Foreign exchange gain	-	1,412,232	1,412,232
Balance as at 31 March 2019	£ -	4,243,690	4,243,690

<b>Euro Management Class Shares*</b>			
Balance at 1 April 2018	235,754	126,176	361,930
Shares issued	251,721	-	251,721
Shares redeemed	-	67,884	67,884
Profit for the year	-	-	-
Balance as at 31 March 2019	€ 487,475	194,060	681,535

<b>Class A US Dollar Shares*</b>			
Balance at 1 April 2018	603,500	1,044	604,544
Shares issued	116,364	-	116,364
Profit for the year	-	83,849	83,849
Foreign exchange loss	-	(40,786)	(40,786)
Balance as at 31 March 2019	US\$ 719,864	44,107	763,971

\* Note - the Sterling Class Shares figures are presented here in £ Sterling, the Dollar Class Share figures are presented here in US\$ while the Euro classes are presented in Euro.

(The notes on pages 24 to 39 form an integral part of these financial statements)

# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### Class B Sterling Shares\*

Balance at 1 April 2018	567,709	4,338	572,047
Shares issued	11,151,280	-	11,151,280
Shares redeemed	(1,685,123)	-	(1,685,123)
Profit for the year	-	895,110	895,110
Foreign exchange loss	-	(1,339,240)	(1,339,240)
Balance as at 31 March 2019	£ 10,033,866	(439,792)	9,594,074

#### Class B Euro Shares\*

Balance at 1 April 2018	391,467	4,978	396,445
Shares issued	3,053,637	-	3,053,637
Shares redeemed	(472,786)	-	(472,786)
Profit for the year	-	193,193	193,193
Balance as at 31 March 2019	€ 2,972,318	198,171	3,170,489

#### Class B US Dollar Shares\*

Balance at 1 April 2018	500,417	1,103	501,520
Shares issued	431,028	-	431,028
Shares redeemed	(23,996)	-	(23,996)
Profit for the year	-	91,277	91,277
Foreign exchange gain	-	3,664	3,664
Balance as at 31 March 2019	US\$ 907,449	96,044	1,003,493

#### Class C Sterling Shares\*

	3,834,882	26,700	3,861,582
Balance at 1 April 2018	912,976	-	912,976
Shares issued	(3,240,822)	-	(3,240,822)
Shares redeemed	-	323,203	323,203
Profit for the year	-	248,488	248,488
Foreign exchange gain			
	£ 1,507,036	598,391	2,105,427
Balance as at 31 March 2019			

#### Class C Euro Shares\*

Balance at 1 April 2018	3,713,730	82,815	3,796,545
Shares issued	3,226,500	-	3,226,500
Shares redeemed	(381,695)	-	(381,695)
Profit for the year	-	704,643	704,643
Balance as at 31 March 2019	€ 6,558,535	787,458	7,345,993

\* Note - the Sterling Class Shares figures are presented here in £ Sterling while the two Euro classes are presented in Euro.

*(The notes on pages 24 to 39 form an integral part of these financial statements)*



# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH 2020

		1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
	Notes	€	€
<b>Cash flows from operating activities</b>			
(Loss)/Profit for the year before tax		(266,331)	4,659,759
Net realised loss on investments during the year	3	(6,496,880)	(3,931,061)
Movement in net unrealised gain/(loss) on investments during the year	3	6,907,076	(634,033)
		<u>143,865</u>	<u>94,665</u>
<b>Net changes in operating assets and liabilities</b>			
Decrease/(increase) in dividends receivable		42,799	(32,217)
Decrease in other receivables and prepayments		12,583	7,497
(Decrease)/increase in other payables and accrued expenses		(97,745)	120,521
Purchase of securities		(67,193,823)	(50,179,221)
Sale of securities		70,996,182	51,475,795
Tax paid		(198,662)	(258,348)
<b>Net cash from operating activities</b>		<u>3,705,199</u>	<u>1,228,692</u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		8,077,140	19,496,755
Cost of shares redeemed		(11,680,338)	(20,495,908)
<b>Net cash flows used in financing activities</b>		<u>(3,603,198)</u>	<u>(999,153)</u>
Net increase in cash and cash equivalents		102,001	229,539
Cash and cash equivalents at the beginning of the year		1,038,240	808,701
<b>Cash and cash equivalents at the end of the year</b>		<u><u>1,140,241</u></u>	<u><u>1,038,240</u></u>

*(The notes on pages 24 to 39 form an integral part of these financial statements)*

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

**1. OPERATIONS**

Clearance Camino Fund Limited (the “Company”) was incorporated in Guernsey, Channel Islands on 3 June 2010 as an open-ended investment fund which issues and redeems its own shares based on their net asset value. The Company's objective was to deliver attractive risk adjusted returns in excess of its benchmark, the FTSE EPRA/NAREIT Developed Europe Net Total Return Index.

The Company's share capital is divided into different classes of shares, the Euro class, Sterling class, US Dollar class and Euro Management class. The Euro, Sterling and US Dollar share classes are further divided into Class A, B and C shares. The USD Class C shares have not yet been issued. The Euro, Sterling and US Dollar classes have equal rights but are issued and redeemed in Euro, Sterling and US Dollar respectively. No management fee is levied on the Management shares.

The Company is regulated by the Guernsey Financial Services Commission in accordance with the Class B Rules 2013 as an authorised Collective Investment Scheme. It is also listed on The International Stock Exchange.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee as endorsed by the European Union that are relevant to its operations except as noted below with regards to start-up costs where the treatment is in accordance with the scheme particulars.

The financial statements of the Company have been prepared under the historical cost convention modified by the revaluation of investments and financial assets and liabilities at fair value through profit or loss, and in accordance with The Companies (Guernsey) Law, 2008.

**Critical accounting judgments and key sources of estimation uncertainty**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In the Directors' opinion, there were no significant accounting judgements in applying the Company's accounting policies or any significant areas of estimation or uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

**Accounting Standards**

*Accounting standards in issue that are not yet effective and have not been early adopted:*

There are no accounting standards in issue that are not yet effective and have not been early adopted that are applicable to the Company.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting Standards (Continued)**

IFRS 16 Leases (effective 1 January 2019)

The objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial statements to assess the amount, timing and uncertainty of cashflows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease. The adoption of IFRS 16 had no effect on the financial statements as the Company has no lease assets or liabilities.

IFRIC 23 Uncertainty over Income Tax Treatments (effective 1 January 2019):

This Standard, which is effective for annual periods beginning on or after 1 January 2019, clarifies how the recognition and measurement requirements of IAS 12 Income taxes are applied where there is uncertainty over income tax treatments. The introduction of the standard did not have a material impact on the Company.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2019 that have a material effect on the financial statements of the Company.

**Foreign currency translation**

a) Functional currency and presentation currency

The functional currency is € (Euro). The functional currency is the currency of the primary economic environment in which the Company operates. The financial statements are presented in Euro which is the Company's functional and presentational currency.

As the base currency is Euro, the Company may enter into currency hedges for the account of the Sterling shares and the US Dollar shares to mitigate the impact of fluctuations in the Euro / Sterling and Euro / US Dollar exchange rate.

b) Transactions and balances

Foreign currency transactions are translated into Euro using the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

c) Share series

The underlying portfolio of investments is recorded in the functional currency of Euros. Each share class is issued units in the underlying portfolio. The Sterling class and the US Dollar class translate their investment in the units in the underlying portfolio at year end foreign exchange (FX) rates and its gains or losses on these units are translated at the yearly average FX rates. The resulting difference is shown in the Statement of Changes in Equity.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Dividend income**

Dividend income is recognised when the Company's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income.

**Interest income and expense**

The Company earns or pays interest on cash balances held at the bank and broker. Interest is recorded based on the effective interest rate and is shown in the Statement of Comprehensive Income.

**Expenses**

Expenses are accounted for on an accruals basis.

**Start-up costs**

The Directors made the decision that for the purpose of preparing the monthly valuations of the Company, it would be appropriate to capitalise the organisational costs incurred on the formation of the Company and amortise these over a period of 36 months from the date of the first anniversary of the Initial Closing Date. This treatment is not in accordance with IAS 38 'Intangible Assets'; however the Directors believed the effect of this was immaterial and therefore opted not to continue to amortise these costs, therefore not adjusting the financial statements. With effect from 1 December 2011 this amortisation treatment was suspended and the Directors had the discretion to determine the amortisation treatment of these costs. From 1 July 2015, the Directors decided to re-commence amortisation of start-up costs. As per the Statement of Comprehensive Income, amortisation of start-up costs in the current year amounted to €Nil (31 March 2019: €22,104). The start-up costs have now been fully amortised.

**Investments**

The Company classifies Investments as financial assets at fair value through the Statement of Comprehensive Income.

**Recognition and Measurement**

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual provisions of the instrument. Transactions are recognised using trade date accounting.

Financial assets and liabilities categorised as at fair value through profit or loss, are measured initially at fair value, with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss, are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Going Concern**

The recent outbreak of Coronavirus (Covid 19) which was declared a pandemic, has caused major economic uncertainty which may negatively impact the liquidity position of the investment portfolio and there may be delays in the receipt of funds from the disposal of the investments. However the Directors believe this risk to be low and are confident that the Company is a going concern, adopting the going concern basis in the preparation of the financial statements. Further details are provided in note 16.

After making all reasonable enquiries and having regard to the nature of the Company and its investments, the Directors are satisfied based on information available to them at the present time, that it is appropriate to adopt the going concern basis in preparing the financial statements and, after due consideration, the Directors consider that the Company is able to continue in the foreseeable future. There has been no significant impact of COVID 19 on current operations. A further discussion on the liquidity profile of the Company is contained in the Financial Risk Management Objectives and Policies within note 14 to these financial statements.

**Derivative financial instruments**

Open positions are valued using official settlement or closing prices at each valuation point. These are deemed fair value and any changes in fair value are reflected in the Statement of Comprehensive Income. There were no open listed derivative instruments positions held at year end.

In addition, as the Company's functional base currency is Euro, the Company may enter into currency hedges for the account of the Sterling shares and the US Dollar shares to mitigate the impact of fluctuations in the Euro / Sterling and Euro / US Dollar exchange rate.

**Cash and cash equivalents**

Cash comprises current deposits with banks and prime brokers.

**3. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS**

<b>Investments held at fair value through profit or loss</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Cost brought forward	35,285,978	32,922,983
Additions	67,615,049	50,231,899
Disposals	(64,706,221)	(47,868,904)
Cost carried forward	38,194,806	35,285,978
Fair value adjustment	(4,402,456)	2,504,622
Fair value carried forward	33,792,350	37,790,600
<b>Net gains/(losses) from investments held at fair value through profit or loss</b>		
Proceeds from sale of investments during the year	71,203,102	51,799,965
Original cost of investments sold during the year	(64,706,222)	(47,868,904)
Net realised gains on investments during the year	6,496,880	3,931,061
Movement in unrealised (losses)/gains on investments during the year	(6,907,076)	634,033
Net (losses)/gain on investments during the year	€ (410,196)	4,565,094

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**3. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

The Company's portfolio is predominantly invested in European property sector securities which are listed on recognised exchanges.

*Geographical & foreign currency analysis of investments*

Investments are held in securities whose undertakings are based in the following geographical locations. They are also denominated in the currency of the following countries.

	<b>31 March 2020</b>	<b>31 March 2019</b>
Germany	9,450,512	7,694,089
United Kingdom	8,379,817	10,440,247
France	4,841,561	7,636,459
Sweden	3,907,717	4,495,127
Netherlands	2,120,209	134,365
Norway	1,911,965	221,203
Spain	1,515,832	1,764,573
Belgium	918,436	2,174,061
Luxembourg	494,669	-
Ireland	251,632	1,112,725
Finland	-	2,112,855
Jersey	-	4,896
€	<b>33,792,350</b>	<b>37,790,600</b>

**4. CASH AND CASH EQUIVALENTS**

	<b>31 March 2020</b>	<b>31 March 2019</b>
BNP Paribas	1,140,241	1,038,240
€	<b>1,140,241</b>	<b>1,038,240</b>

**5. OTHER RECEIVABLES AND PREPAYMENTS**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Sundry receivables	8,522	21,105
€	<b>8,522</b>	<b>21,105</b>

**6. OTHER PAYABLES AND ACCRUED EXPENSES**

	<b>31 March 2020</b>	<b>31 March 2019</b>
Administration fees (Note 10)	23,669	28,423
Audit fees	23,666	19,716
Custodian & Depositary fees (Note 10)	14,297	14,433
Directors' fees	5,983	-
Management fees (Note 10)	145,040	143,539
Performance fees (Note 10)	340,945	456,266
Sundry expenses accrued	32,964	21,932
€	<b>586,564</b>	<b>684,309</b>

# CLEARANCE CAMINO FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 7. SHARE CAPITAL

The Company has a share capital of an unlimited number of nil par value shares.

##### *Shareholders' equity as at 31 March 2020*

Share series	No of shares		Net asset value per share	Fx rate	Net assets
Class A Euro Shares	2,316,080	€	2.1823	1.0000	5,054,461
Class A Sterling Shares	1,428,568	£	2.2200	1.1301	3,583,815
Euro Management Class Shares	50,001	€	2.5131	1.0000	125,656
Class A US Dollar Shares	267,410	US\$	1.0404	0.9114	253,553
Class B Sterling Shares	9,006,604	£	1.0799	1.1301	10,991,615
Class B Euro Shares	4,247,636	€	1.0713	1.0000	4,550,659
Class B US Dollar Shares	3,602,039	US\$	0.9773	0.9114	3,208,142
Class C Sterling Shares	629,146	£	1.1198	1.1301	796,144
Class C Euro Shares	<u>5,539,309</u>	€	1.1461	1.0000	<u>6,348,757</u>
Total	<u><u>27,086,793</u></u>			€	<u><u>34,912,802</u></u>

##### *Shareholders' equity as at 31 March 2019*

Share series	No of shares		Net asset value per share	Fx rate	Net assets
Class A Euro Shares	3,138,449	€	2.2344	1.0000	7,012,551
Class A Sterling Shares	1,910,286	£	2.2215	1.1605	4,924,737
Euro Management Class Shares	266,685	€	2.5556	1.0000	681,536
Class A US Dollar Shares	700,938	US\$	1.0899	0.8906	680,385
Class B Sterling Shares	8,865,058	£	1.0822	1.1605	11,133,776
Class B Euro Shares	2,869,938	€	1.1047	1.0000	3,170,489
Class B US Dollar Shares	971,085	US\$	1.0334	0.8906	893,702
Class C Sterling Shares	1,876,535	£	1.1220	1.1605	2,443,314
Class C Euro Shares	<u>6,318,716</u>	€	1.1626	1.0000	<u>7,345,993</u>
Total	<u><u>26,917,690</u></u>			€	<u><u>38,286,483</u></u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**7. SHARE CAPITAL (CONTINUED)**

The movement in the number of shares is as follows:

<b>Share series as at 31 March 2020</b>	<b>Opening Shares</b>	<b>Subscriptions</b>	<b>Redemptions</b>	<b>Closing Shares</b>
Class A Euro Shares	3,138,449	113,890	(936,259)	2,316,080
Class A Sterling Shares	1,910,286	38,984	(520,702)	1,428,568
Euro Management Class Shares	266,685	-	(216,684)	50,001
Class A US Dollar Shares	700,938	19,235	(452,763)	267,410
Class B Sterling Shares	8,865,058	1,971,806	(1,830,260)	9,006,604
Class B Euro Shares	2,869,938	2,011,692	(633,994)	4,247,636
Class B US Dollar Shares	971,085	2,769,714	(138,760)	3,602,039
Class C Sterling Shares	1,876,535	103,605	(1,350,994)	629,146
Class C Euro Shares	6,318,716	-	(779,407)	5,539,309
<b>Share series as at 31 March 2019</b>	<b>Opening Shares</b>	<b>Subscriptions</b>	<b>Redemptions</b>	<b>Closing Shares</b>
Class A Euro Shares	4,205,524	137,870	(1,204,945)	3,138,449
Class A Sterling Shares	7,003,808	26,519	(5,120,041)	1,910,286
Euro Management Class Shares	163,194	103,491	-	266,685
Class A US Dollar Shares	569,977	130,961	-	700,938
Class B Sterling Shares	587,307	9,716,791	(1,439,040)	8,865,058
Class B Euro Shares	405,870	2,926,964	(462,896)	2,869,938
Class B US Dollar Shares	500,417	497,859	(27,191)	971,085
Class C Sterling Shares	3,825,836	750,843	(2,700,144)	1,876,535
Class C Euro Shares	3,700,322	2,970,574	(352,180)	6,318,716

The Company's share capital is divided into different classes of shares; the Euro class, Sterling class, Dollar class and Euro Management class. The Euro, Sterling and Dollar classes have equal rights but are issued in Euros, Sterling and Dollar respectively. The Euro Management shares are non-voting Euro shares issued as Management shares by the Company. Each share class has an allocation of units of the underlying portfolio of assets which are denominated in Euros. No forward currency contracts are in place for the Sterling class shares or the Dollar class shares. The net asset value per share differs by share class due to foreign exchange exposure on the Sterling class and the Dollar class and the fact that the Euro Management class does not pay management fees.

*Subscriptions*

The minimum initial subscription to the Company is €50,000 in the case of Class A Euro Shares, £50,000 in the case of Class A Sterling Shares, US\$50,000 in the case of Class A US Dollar Shares, €3,000,000 in the case of Class B Euro Shares, £3,000,000 in the case of Class B Sterling Shares, US\$3,000,000 in the case of Class B US Dollar Shares, €10,000,000 in the case of Class C Euro Shares, £10,000,000 in the case of Class C Sterling Shares and US\$10,000,000 in the case of Class C Dollar Shares. The minimum subsequent subscription is €5,000 in the case of Euro Shares, £5,000 in the case of Sterling Shares and US\$5,000 in the case of US Dollar Shares, subject to the Directors' discretion to accept lower amounts.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**7. SHARE CAPITAL (CONTINUED)**

*Redemptions*

Investors can redeem shares in the Company on any redemption day. The redemption days are the second business day of each week. The redemption price per share will be equal to the net asset value per share of the relevant class of shares on the relevant redemption day. All of the shares participate equally in the net asset value of the Company in their respective shares. The shares have residual priority to other instruments of the Company in the event of liquidation. Therefore, all the share classes have been classified as equity.

*Winding-up*

If the Company is wound up, the liquidator may with the authority of an Extraordinary Resolution of the Shareholders, and any other authority or sanction required by the Companies (Guernsey) Law, 2008, divide among the Shareholders or any of them in specie the whole or any part of the assets of the Company.

**8. SHARE PREMIUM**

	1 April 2019 to 31 March 2020	1 April 2018 to 31 March 2019
Opening balance	26,715,522	27,714,675
Shares issued	8,772,215	19,496,755
Shares redeemed	(11,680,903)	(20,495,908)
Closing balance	€ 23,806,834	26,715,522

Share premium is a distributable reserve under Companies (Guernsey) Law, 2008, subject to a solvency test.

**9. CAPITAL MANAGEMENT**

The Company's capital management objective is to achieve target returns, which is reflected in the value of its shares in accordance with its stated investment policy. The Company also attempts to ensure that it is capitalised in a manner which appropriately supports working capital needs and also maintains sufficient liquidity to cover any redemptions out of the Company by the shareholders. The Directors discuss issues which impact capital management and review information relating to capital management activities regularly.

Capital management activities for the year ended 31 March 2020 included subscriptions of €8,772,215 (31 March 2019: €19,496,755) and redemptions of €11,680,903 (31 March 2019: €20,495,908). The Company has the ability to suspend redemption requests and is not subject to externally imposed capital requirements.

The Company's objectives for managing capital are:

- (i) To invest the capital in accordance with and within the boundaries of the investment types, risk exposures and investment style set out in the Company's prospectus;
- (ii) To achieve target returns with a return profile in line with those anticipated for a company of this nature;
- (iii) To maintain appropriate levels of liquidity, by trading on a margined basis in liquid investments, so that redemptions and expenses can be met without negatively impacting the Company's performance; and
- (iv) To maintain the Company at a sufficient size to ensure it is cost efficient.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**10. MANAGEMENT, PERFORMANCE, ADMINISTRATION, CUSTODIAN, DIRECTORS FEES AND DEPOSITARY FEES**

**(a) Management and Performance fees**

**(i) Management fees**

Pursuant to the Investment Management Agreement on 29 September 2017, the Company will pay Clearance Capital Limited (Effective from 29 September 2017) (the "Investment Manager") a monthly management fee equal to one twelfth of:

- 1.5 per cent of the Net Asset Value of the Class A Shares;
- 1 per cent of the Net Asset Value of the Class B Shares; and
- 0.7 per cent of the Net Asset Value of the Class C Shares,

calculated by reference to the Net Asset Value before any Performance Fee as at the end of each month and payable monthly in arrears.

The Company paid Stenprop Advisers Limited (Effective to 28 September 2017) (the "Investment Manager") a monthly management fee equal to one twelfth of 1.5 per cent of the Net Asset Value of the Company, calculated by reference to the Net Asset Value before any Performance Fee as at the end of each month and paid monthly in arrear.

No Management Fee will be levied on the Euro Management class. Management fees totalled €431,459 (31 March 2019: €403,477) for the year, €145,040 (31 March 2019: €143,539) of management fees were payable to the Investment Manager at the year end.

**(ii) Performance fees**

In addition, the Investment Manager was entitled to receive a performance fee of 10 per cent of gains above the Benchmark Return (effective to 30 September 2017) and 15 per cent of gains above the Benchmark Return (effective from 1 October 2017) for Euro, Sterling and Dollar equity shares.

Effective from 1 October 2017, the Performance per Share of a Euro Share, a Sterling Share and a Dollar Share in respect of a Calculation Period is the difference, expressed as a percentage, between the Net Asset Value per Sterling Share, Euro Share and US Dollar Share on the last Business Day of the relevant Calculation Period calculated in Euro, Sterling and US Dollar respectively and the highest Net Asset Value per Euro Share, Sterling Share and Dollar Share on the last Business Day of any preceding Calculation Period, which reflects the charging of a Performance Fee (the "High Water Mark per share"). The Performance Fee per Share amounts to 15% of the Outperformance per Share. The Benchmark Return per Share is the FTSE EPRA/NAREIT Developed Europe Net Total Return Index. In order for the performance fee to be payable to the Investment Manager at the end of a Calculation Period, the Net Asset Value per Share (before the impact of the performance fee accrual) needs to exceed the High Water Mark, being the Net Asset Value per Share at the end of the most recent Calculation Period when a performance fee fell due. For a more detailed description of the calculation, please refer to the Company's listing document.

The Management Fee and the Performance Fee are exclusive of value added tax (if any). Performance Fees are payable on realised and unrealised capital gains taking into account realised and unrealised losses. Consequently, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Performance fees amounted to €277,054 (31 March 2019: €351,832) for the year, €340,945 (31 March 2019: €456,266) of performance fees were payable to the Investment Manager at the year end.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****10. MANAGEMENT, PERFORMANCE, ADMINISTRATION, CUSTODIAN, DIRECTORS FEES AND DEPOSITARY FEES (CONTINUED)****(b) Administration fees**

The administration of the Company has been outsourced to Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator"), a company incorporated in Guernsey. Under the terms of its agreement with the Company, the administrator is entitled to an administration fee being levied on a stepped scale based on the aggregate market value of the Company as a proportion of its net asset value from 8 to 13 basis points per year subject to a minimum of £45,000 per year.

Included in other payables and accrued expenses is €23,669 (31 March 2019: €28,423) in respect of administration fees outstanding at the year end. The administration fee charged to the statement of comprehensive income is €57,389 (31 March 2019: €57,103).

**(c) Custodian fees**

Pursuant to the Custody Agreement, BNP Paribas Securities Services SCA (the "Custodian") is entitled to receive out of the assets of the Company a set-up fee, an annual fiduciary oversight fee, clearing and settlement fees and variable transaction fees. The fiduciary oversight fee is up to 0.04% of net asset value per annum, subject to a minimum fee of £24,000 per annum.

The clearing and settlement fees will vary from market to market, ranging from 0.03% per annum for established liquid markets to up to 0.7% per annum for some emerging markets, subject to a minimum fee of £12,000 per annum. In addition the Custodian shall be entitled to variable transaction fees of between £30 and £135 for each transaction. The Custodian is also entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company.

Included in other payables and accrued expenses is €12,126 (31 March 2019: €12,294) in respect of custodian fees outstanding at the year end. The custodian fee charged to the statement of comprehensive income is €72,299 (31 March 2019: €59,659).

**(d) Directors fees**

Directors' fees during the year amounted to €55,743 (31 March 2019: €29,009).

**(e) Depositary fees**

BNP Paribas Securities Services SCA – Guernsey Branch has agreed to act as depositary bank of the Company ("Depo-Lite Provider") with respect to the Company's assets pursuant to a Depositary Agreement entered into between the Company, Clearance Capital (as the AIFM) and the Depo-Lite Provider. Although the full depositary rules of the AIFM Directive are not applicable to the Company, the Company is required to have one or more persons appointed to perform the following functions: (i) monitor the Company's cash-flows; (ii) ensure that the Company's assets are held in custody appropriately; and (iii) oversee the sale, issue, repurchase, redemption and cancellation of the Shares. These functions are fulfilled by the Depo-Lite Provider.

Pursuant to the Depositary Agreement, the Depo-Lite Provider is entitled to receive from the Company an annual fee of £22,000.

Included in other payables and accrued expenses is €2,171 (31 March 2019: €2,139) in respect of depositary fees outstanding at the year end. The depositary fee charged to the statement of comprehensive income is €25,198 (31 March 2019: €30,135).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**11. RELATED PARTIES**

Clearance Capital Limited (Effective from 29 September 2017)

The Investment Manager is entitled to receive management and performance fees in respect of its services. Please refer to note 10 (a) above for details of fees paid.

**12. TAXATION**

The Company is exempt from Guernsey taxation under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 for which it pays an annual fee which is currently £1,200. It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to withholding tax in the country of origin. The Company has suffered withholding tax of €198,662 in the year (31 March 2019: €258,348).

**13. ULTIMATE CONTROLLING PARTY**

It is the view of the Directors that the Company has no ultimate controlling party.

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company seeks to deliver attractive risk-adjusted returns in excess of its benchmark, the FTSE EPRA/NAREIT Developed Europe Net Total Return Index. The Company's activities will be concentrated on the listed European property sector, although the Company has a global investment mandate. The investment process includes an evaluation of fundamental aspects of each investment to identify debt and equity securities likely to perform well not only in absolute terms, but also relative to the benchmark. Furthermore, the portfolio will be constructed in such a way that downside risk is actively managed within the investment restrictions contained in the Company's Prospectus dated 31 January 2020.

Clearance Capital Limited (the "Manager"), the Company's AIFM, has developed policies and procedures to manage the risks inherent to activities of the Company. The Company's investment restrictions are set out in its Listing Document. The Manager has developed and implemented controls, including regular reporting, to ensure these restrictions are adhered to. The Manager has also developed a risk management framework setting out the Manager's approach to portfolio risks in addition to those addressed by the investment restrictions in the Company's Listing Documents, such as currency exposure, liquidity, and the Company's exposure to specific sectors and regions. The parameters are monitored during regular meetings of the Manager's investment team referring to risk reporting produced independently of the investment management function. The Manager's compliance officer is responsible for monitoring the adherence of the Company to the parameters set in the Listing Document and the risk management framework. The Manager's risk management process is overseen by the Manager's management committee. All breaches are reported by the Compliance Officer to the Manager's management committee and to the Company, when appropriate.

Within this broad objective the Company will seek to manage its exposure to a variety of market risks. The Company has established a sound governance structure, with a Board including at least two independent members, including the chairman, to oversee its activities.

**Risk management structure**

Risk management forms an integral part of the investment approach. The Investment Manager is responsible for making judgments within the guidelines set by the Board of Directors with respect to risk control, diversification, liquidity and other factors as a part of the investment process. The Investment Manager presents the risk profile and procedures to the Directors of the Company at each Board meeting. The Board of Directors is ultimately responsible for the overall risk management approach within the Company.

The following discussion is for all classes as there is a single investment pool and it is therefore not appropriate to present the analysis by class.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****Credit risk**

Credit risk arises from the potential for a counterparty to default on its contractual obligations and the risk that the prevailing market conditions result in the Company incurring a loss in replacing the defaulted transaction. Credit risk is managed by the Directors by only using counterparties deemed creditworthy and by actively pursuing risk mitigation techniques.

Cash and cash equivalents are held with BNP Paribas Securities Services SCA, Guernsey Branch. There is a potential credit risk on these cash balances and the amounts are disclosed in note 4. As at 31 March 2020, Standard & Poors rating agency has assigned BNP Paribas Securities Services SCA, Guernsey Branch a long term credit rating of A+ (31 March 2019: A).

Substantially all of the assets of the Company are held by BNP Paribas Securities Services SCA, Guernsey Branch ("the Custodian"). Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to investments held by the Custodian to be delayed. Investments held with the Custodian are ring-fenced and will be protected should the Company become bankrupt or insolvent. The Company monitors the credit quality of the Custodian on a regular basis.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The nature of the Company is that it holds a relatively large amount of cash and trades in listed instruments. The Company operates weekly dealing and trades in sufficiently liquid investments to meet any redemption requests from investors. The Company also has the ability to suspend redemption requests where necessary. The Directors are of the opinion that the Company is minimally exposed to liquidity risk.

The maturity profile of the Company's financial liabilities is as follows:

<b>Financial Liabilities:</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
1-3 months	1,400,818	1,091,754
3-6 months	56,630	41,648
	€ 1,457,448	1,133,402

**Country risk**

The risk of a major disruptive political or economic event that could severely disrupt capital markets is impacted by a range of factors. The factors that give rise to an increase to the risk of such events include dislocations caused by a prolonged period of ultra-low interest rates, the unequal economic recovery seen across Europe, unequal debt-to-GDP ratios, an unstable global geopolitical environment, and the UK's withdrawal from the EU. The Company's investments in listed property holding companies are predicated on the stability of capital markets.

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company may invest in financial instruments and enter into transactions that are denominated in various currencies. Consequently the Company is exposed to the risk that the exchange rate of its currency, relative to other currencies, may change in a manner that has an adverse effect on the value of that portion of the Company's assets and liabilities which are denominated in currencies other than the reporting currency.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Currency risk (continued)**

As at the Statement of Financial Position date the Company had the following currency risk exposure:

<b>Assets</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>€</b>	<b>€</b>
Euro	19,823,633	23,788,565
Sterling	9,602,678	10,516,356
Swiss Franc	143	139
Swedish Krona	4,562,518	4,893,521
Norwegian Krone	1,919,025	221,296
US Dollar	462,253	8
<b>Liabilities</b>		
Euro	(800,218)	(1,133,402)
Sterling	(565)	-
Swedish Krona	(656,665)	-

While the functional currency of the Company is Euro, the Company is exposed to various other currencies. The effect of changes in foreign exchange rates based on the amounts held in foreign currency have been summarised below:

	<b>Change in FX rate</b>	<b>Effect on profit/equity 31 March 2020</b>	<b>Effect on profit/equity 31 March 2019</b>
		<b>€</b>	<b>€</b>
EUR/GBP	+10%	960,211	1,051,636
EUR/GBP	-10%	(960,211)	(1,051,636)
EUR/SEK	+10%	390,585	489,352
EUR/SEK	-10%	(390,585)	(489,352)
EUR/NOK	+10%	191,902	22,130
EUR/NOK	-10%	(191,902)	(22,130)
EUR/CHF	+10%	14	14
EUR/CHF	-10%	(14)	(14)
EUR/USD	+10%	46,225	1
EUR/USD	-10%	(46,225)	(1)

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Other than as disclosed below, the Directors believe that the Company's exposure to interest rate risk is minimal. Any downward movement in interest rates would negatively affect the return on cash deposits over time.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Interest rate risk (continued)**

<b>Financial Assets:</b>	<b>Interest Charging Basis</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
Trading securities held long	Non-interest bearing	33,792,350	37,790,600
Capital shares receivable	Non-interest bearing	695,075	-
Cash and cash equivalents	Floating	1,140,241	1,038,240
Dividends receivable	Non-interest bearing	84,758	127,557
Securities sold receivable	Non-interest bearing	649,304	442,383
Other receivables and prepayments	Non-interest bearing	8,522	21,105
		<b>€ 36,370,250</b>	<b>39,419,885</b>
<b>Financial Liabilities:</b>			
Other payables and accrued expenses	Non-interest bearing	(1,457,448)	(1,133,402)
		<b>€ (1,457,448)</b>	<b>(1,133,402)</b>

**Fair Value Measurement Risk**

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices (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 or indirectly.

Level 3 - Inputs for the asset or liability that are not based on observable market data.

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 in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement 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 asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table summarises the valuation of the Company's investments by the IFRS fair value hierarchy as at 31 March 2020 and 31 March 2019:

		<b>31 March 2020</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Trading securities held long		33,792,350	-	-	33,792,350
€		33,792,350	-	-	33,792,350
		<b>31 March 2019</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Trading securities held long		37,790,600	-	-	37,790,600
€		37,790,600	-	-	37,790,600

The values of all the Company's financial instruments are based on quoted market prices in active markets and are therefore classified as Level 1. The Company does not adjust the quoted market price for these instruments.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

**14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market price (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, or other factors affecting the wider market.

The Company is a long equity fund seeking to outperform a benchmark. As such its aim during the year was to deliver attractive returns in excess of its benchmark, the FTSE EPRA/NAREIT Developed Europe Net Total Return Index.

The Company's exposure to market risk comes mainly from movements in the value of its investments in securities and derivative financial instruments. The maximum risk resulting from financial instruments equals their fair value.

A 10% increase or decrease in the prices of investments held at fair value through profit or loss would impact the net assets of the Company as follows:

	Change in market price	31 March 2020 €	31 March 2019 €
Investments held at fair value through profit or loss			
Effect on net assets/comprehensive income	+10%	3,379,235	3,779,060

The Directors believe that a 10% fluctuation in the quoted market price is a reasonable and realistic assumption.

The Board is monitoring the impact that the UK's withdrawal from the European Union will have on the Company. At this stage, the Board is not aware of any regulatory development that would have a material negative impact on the Company's continued operations.

**15. EXCHANGE RATES**

The exchange rates to Euro as at the year-end were as follows:

	31 March 2020	31 March 2019
British Pound	0.8951	0.8617
Norwegian Krone	11.5222	9.6695
South African Rand	19.5969	16.1929
Swedish Krona	10.8712	10.4148
Swiss Franc	1.0616	1.1182
US Dollar	1.0973	1.1229



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****16. SIGNIFICANT EVENTS DURING THE YEAR**

During the first quarter of the 2020 calendar year, the COVID-19 pandemic broke out globally. The pandemic and the public policy response, including extensive monetary and fiscal measures taken by major economies, had a dramatic impact on the global financial markets. In response to the emerging trends in the operating environment faced by the companies in the Company's investment universe, the Investment Manager made changes to the Company's portfolio to reduce the exposure to the potential impact of further market declines. The Investment Manager developed base and bear case valuations for the majority of the companies in the Company's investment universe by value. The Investment Manager's operations have continued uninterrupted as work-from-home government guidance in the United Kingdom have been followed, and the Manager's financial viability has not been drawn into question. The Board has been monitoring the activities of the Company as the crisis has unfolded to ensure the appropriate risk management steps were taken. Whilst the full impact of the COVID-19 pandemic on individuals, communities, companies and the global economy is uncertain and likely to be significant, the Company remains well-placed to generate risk-adjusted returns above its benchmark for its shareholders.

The presentation of these Financial Statements has not been impacted by COVID-19 apart from an additional disclosure under the headings of 'Significant Events' in both the Directors Report and Note 16 in 'Notes to the Financial Statements'.

There have been no other significant events during the year.

**17. SIGNIFICANT EVENTS SINCE THE YEAR END**

There have been no events since the year end date, which, in the opinion of the Directors of the Company may have an impact on the financial statements for the year ended 31 March 2020.

The Directors note the developing situation regarding the Coronavirus ("COVID-19") pandemic and will continue to monitor the impact of the pandemic on the Company's performance. Since 31 March 2020, there have been no significant negative movements in net asset value or significant redemptions from the Fund.

# CLEARANCE CAMINO FUND LIMITED

## PORTFOLIO STATEMENT AS AT 31 MARCH 2020

Security Number	Security ID	Security Description	Currency	Quantity	Cost	Cost €	Market Value	Market Value €	% of Total	Listing
<b>Investment held at fair value through profit or loss</b>										
719412U	FR0010481960	Argan	EUR	27,861	1,459,819	1,459,819	-	1,883,404	5.39%	Paris
4A8BGEU	ES0105376000	Arima Real Estate SOCIMI SA	EUR	58,307	670,866	670,866	470,829	475,202	1.36%	Madrid
4A7HN7U	LU1673108939	Aroundtown SA	EUR	108,623	948,678	948,678	492,823	494,669	1.42%	Frankfurt
550354W	SE0001664707	Catena AB	SEK	1,243	353,308	32,499	357,984	33,101	0.09%	Stockholm
5A7T78U	SE0010832204	Cibus Nordic Real Estate AB	SEK	188,066	26,947,248	2,547,616	-	2,015,384	5.77%	Stockholm
8A77WDU	GB00BF044593	CLS Holdings	GBP	400,940	1,109,604	1,309,333	785,842	886,231	2.54%	London
400573S	BE0003593044	Cofinimmo SA	EUR	7,705	974,615	974,615	916,125	918,436	2.63%	Brussels
567061W	DE000A0HN5C6	Deutsche Wohnen	EUR	46,931	1,520,849	1,520,849	1,613,253	1,628,975	4.67%	Frankfurt
8A5CP6W	GB00BLWDVR75	Empiric Student Property Plc	GBP	408,103	391,884	447,225	266,899	304,838	0.87%	London
6A5JZNU	NO0010716418	Entra	NOK	177,662	25,204,278	2,495,083	22,012,322	1,911,965	5.48%	Oslo
513435W	SE0000455057	Fastighets AB Balder	SEK	5,642	1,896,001	171,099	2,016,451	185,277	0.53%	Stockholm
702722W	FR0010040865	Gecina	EUR	18,436	2,457,275	2,457,275	2,224,303	2,225,225	6.37%	Paris
5A7KMCU	IE00BD6JX574	Glenveagh Properties Plc	EUR	518,829	551,509	551,509	251,502	251,632	0.72%	Dublin
7A6PA0U	ES0139140174	Inmobiliaria Colonial Socimi SA	EUR	120,513	1,148,548	1,148,548	1,041,232	1,040,630	2.98%	Madrid
704420W	FR0000121964	Klepierre	EUR	41,715	1,344,260	1,344,260	733,037	732,933	2.10%	Paris
513201W	SE0000549412	Kungsleden	SEK	188,860	13,310,924	1,246,276	14,070,070	1,302,935	3.73%	Stockholm
7A75GXU	GB00BYQ46T41	LXI REIT Plc	GBP	434,390	551,885	637,324	473,051	534,081	1.53%	London
0A7CC4U	NL0012365084	NSI NV	EUR	58,813	2,327,052	2,327,052	2,111,387	2,120,209	6.07%	Amsterdam
7A4SNSW	SE0004977692	Platzer Fastigheter Holding AB	SEK	57,050	4,303,062	407,356	-	371,019	1.06%	Stockholm
030678W	GB00B1N7Z094	Safestore Holdings Plc	GBP	159,967	885,994	977,033	1,026,188	1,157,839	3.32%	London
6A1LT6U	GB00B5ZN1N88	Segro Plc	GBP	182,308	1,255,689	1,400,318	1,393,015	1,573,974	4.51%	London
537231W	DE0008303504	TAG Immobilien AG	EUR	215,339	4,447,499	4,447,499	3,878,255	3,884,716	11.13%	Frankfurt
7A8TCAU	GB00BJGTLF51	Target Healthcare REIT Plc	GBP	1,113,005	1,261,988	1,453,576	1,188,133	1,345,797	3.85%	London
4A7BKJU	GB00BF01NH51	The PRS REIT Plc	GBP	368,329	337,025	396,082	281,772	318,417	0.91%	London
002367W	GB0006928617	Unite Group	GBP	75,269	715,049	801,390	603,469	681,739	1.95%	London
6A6WH3U	GB00BYV8MN78	Urban Logistics REIT Plc	GBP	873,296	1,200,782	1,377,926	1,021,756	1,154,638	3.31%	London
4A92QGU	DE000A2YPDD0	VIB Vermoegen AG	EUR	48,793	1,146,416	1,146,416	1,103,942	1,112,480	3.19%	Frankfurt
7A4GKTU	DE000A1ML7J1	Vonovia SE	EUR	62,959	3,006,838	3,006,839	2,817,730	2,824,341	8.09%	Frankfurt
3A2RE8W	GB00B67G5X01	Workspace Group	GBP	49,199	433,351	490,445	373,420	422,263	1.21%	London
							<u>38,194,806</u>	<u>33,792,350</u>		
							Cash and cash equivalents	1,140,241		
							Other receivables and prepayments	1,437,659		
							Other payables and accrued expenses	(1,457,448)		
							<b>Net Assets attributable to shareholders</b>	<b><u>34,912,802</u></b>		

# CLEARANCE CAMINO FUND LIMITED

## SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED)\* FOR THE YEAR ENDED 31 MARCH 2020

<b>Purchases</b>		
<b>Description</b>	<b>Quantity</b>	<b>Cost</b>
		€
TAG Immobilien AG	277,309	5,688,583
Deutsche Wohnen	118,471	4,144,616
LEG Immobilien REIT	39,225	4,101,686
Vonovia SE	83,638	3,938,143
Entra	263,740	3,643,775
Cibus Nordic Real Estate AB	235,425	3,130,025
Klepierre	79,038	2,469,492
NSI NV	58,813	2,327,052
Secure Income REIT Plc	431,384	2,148,428
CLS Holdings	714,742	2,081,736
Target Healthcare REIT Plc	1,269,990	1,649,145
British Land Company Plc	250,579	1,612,343
LXI REIT Plc	1,029,699	1,445,815
Fastighets AB Balder	40,576	1,416,352
Derwent London	30,831	1,413,562
Urban Logistics REIT Plc	873,296	1,377,926
Retail Estates NV	17,764	1,344,301
Unibail-Rodamco	8,800	1,218,326
Gecina	7,780	1,149,461
Aroundtown SA	108,623	948,678
<b>Sales</b>		
<b>Description</b>	<b>Quantity</b>	<b>Proceeds</b>
		€
LEG Immobilien REIT	62,322	6,644,818
Vonovia SE	95,367	4,482,405
Suomen Hoivatilat OYJ	236,841	3,789,456
Secure Income REIT Plc	631,384	2,748,613
Klepierre	90,261	2,679,356
Unibail-Rodamco	18,409	2,545,562
Hemfosa Fastigheter AB	245,663	2,461,101
Cofinimmo SA	17,539	2,324,829
Deutsche Wohnen	71,540	2,319,880
Platzer Fastigheter Holding AB	211,151	1,847,856
Mucklow (A&J) Group Plc	251,142	1,839,310
Derwent London	43,167	1,731,575
British Land Company Plc	250,579	1,577,972
Samhallsbyggnadsbolaget I Norden AB	942,520	1,503,629
Retail Estates NV	17,764	1,502,682
Gecina	10,000	1,502,047
Entra	102,506	1,384,285
Segro Plc	164,583	1,372,486
Fastighets AB Balder	34,934	1,335,442
TAG Immobilien AG	61,970	1,294,658

\* Significant portfolio movements disclose the top 20 purchases and sales of the Company for the year.