

Company registered number: 653898

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**PGGLF 2 DESIGNATED ACTIVITY COMPANY**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD 22 July 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020**

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**PGGLF 2 DESIGNATED ACTIVITY COMPANY**

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**PGGLF 2 DESIGNATED ACTIVITY COMPANY**

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**COMPANY INFORMATION**

<b>DIRECTORS</b>	*Brian Groves (Irish) *David Dunne (Irish) *Robert Gallagher (Irish)
*Non-executive Director	
<b>COMPANY SECRETARY, REGISTERED OFFICE AND ADMINISTRATOR</b>	Intertrust Management Ireland Limited 2 <sup>nd</sup> Floor, 1-2 Victoria Buildings Haddington Road Dublin 4 Ireland
<b>REGISTRATION NUMBER</b>	653898
<b>INDEPENDENT AUDITORS</b>	PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm One Spencer Dock North Wall Quay Dublin 1 Ireland
<b>CALCULATION AGENT, CUSTODIAN, PRINCIPAL PAYING AGENT, AND ACCOUNT BANK</b>	Elavon Financial Services DAC 2 <sup>nd</sup> Floor, Block E, Cherrywood Science & Technology Park Loughlinstown Dublin 18
<b>TRUSTEE</b>	U.S. Bank Trustees Limited 5th Floor 125 Old Broad Street London EC2N 1AR United Kingdom
<b>COLLATERAL MANAGER</b>	Partners Group (UK) Management Ltd 110 Bishopsgate London EC2N 4AY United Kingdom  Partners Group (USA) Inc. The Grace Building 1114 Avenue of the Americas 37 <sup>th</sup> Floor, New York NY 10036 United States
<b>LISTING AGENT</b>	Arthur Cox Listings Services Limited Ten Earlsfort Terrace Dublin 2 Ireland
<b>REGISTRAR AND TRANSFER AGENT</b>	U.S. Bank National Association One Federal Street 3 <sup>rd</sup> Floor Boston MA 02110 United States
<b>COLLATERAL ADMINISTRATOR AND INFORMATION AGENT</b>	US Bank Global Corporate Trust Limited 125 Old Broad Street London EC2N 1AR United Kingdom

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## PGGLF 2 DESIGNATED ACTIVITY COMPANY

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### DIRECTORS' REPORT FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020

The directors submit their Directors' report together with the audited financial statements of PGGLF 2 Designated Activity Company (the "Company") for the financial period 22 July 2019 (Date of Incorporation) to 31 December 2020.

#### PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company is a designated activity company, which was incorporated on 22 July 2019, in accordance with the laws of Ireland with a company registration number of 653898. The Company, a special purpose securitization vehicle, was established as a "Qualifying Company" under Section 110 of the Taxes Consolidation Act.

The sole purpose of the Company is to act as originator and risk retention holder. The Portfolio consists of senior secured loans, high yield securities in US Dollar and Euro ("Other Financial Assets"), subordinated Notes in Pikes Peak 5 CLO, Pikes Peak 6 CLO, Pikes Peak 7 CLO, Penta 8 CLO Designated Activity Company, Penta 9 CLO Designated Activity Company, Penta 10 CLO Designated Activity Company, and PGGLF Assetco Designated Activity Company (the "CLO Financial Assets") (together the "Portfolio").

The directors expect the current level of business activity to continue in the future.

As at 31 December 2020, the Company had issued Class A and B Notes ("Notes") at a par value of US\$165,944,700. The Notes are listed on the International Stock Exchange (Channel Islands Stock Exchange).

The details of Notes issued at 31 December 2020 are as follows:

Class	Credit rating at 31 December 2020	Par value issued as at 31 December 2020 US\$	Final maturity
Class A Fixed Rate Notes USD	Not rated	76,800,000	17 Sept 2037
Class B Profit Participating Notes USD	Not rated	19,200,000	17 Sept 2037
Class A Fixed Rate Notes EUR	Not rated	50,699,640	17 Sept 2037
Class B Profit Participating Notes EUR	Not rated	12,816,960	17 Sept 2037
		<u>159,516,600</u>	

The maximum par value issuances for Class A and Class B Notes are US\$280,000,000 and US\$70,000,000 respectively.

#### PORTFOLIO MONITORING

The Company's compliance with covenants, including the portfolio profile tests, coverage tests and collateral quality tests, are reported on a quarterly basis to the Noteholders. These quarterly reports provide details of the credit quality of the CLOs, interest and principal coverage of the Notes and details about significant credit events. At the financial period end, the Company passed the coverage tests and portfolio profile tests.

Due to fluctuations in the fair value of the portfolio of assets, there is a risk that certain Notes issued by the Company will not be repaid in full. The Notes are limited recourse obligations of the Company which are payable solely out of the amounts received in respect of the financial assets and other realisable assets held by the Company. If the net proceeds from the realisation of the financial assets and other realisable assets following an event of default, other redemption date or at the maturity are insufficient to pay all the amounts due to the Noteholders, the Noteholders will have no further claim against the Company in respect of any such unpaid amounts. The Company's financial assets and liabilities are carried at fair value through profit or loss ("FVTPL").

The directors were satisfied with the state of affairs of the Company and have no plans to change the activities and operations of the Company in the foreseeable future.

#### RESULTS AND DIVIDENDS

The results for the financial year and the Company's financial position at the end of the financial period are disclosed on pages 12 and 13. The profit after tax for the financial period is US\$ 1,092. The directors do not recommend the payment of a dividend.

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

**INTERESTS OF THE DIRECTORS AND COMPANY SECRETARY**

The directors and company secretary of the Company are listed below:

Brian Groves  
David Dunne (appointed 3 March 2020)  
Robert Gallagher  
Paul Griffith (appointed 22 July 2019) (resigned 3 March 2020)

Intertrust Management Ireland Limited were appointed as Company Secretary. Except where indicated, they have served for the entire financial period. The directors and company secretary who held office on 31 December 2020 had no interest in the shares, share options, deferred shares or loan stock of the Company on that date or during the financial period that are required by the Companies Act 2014 to be recorded in the register of interests or disclosed in the Directors' Report.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The disclosures in relation to the Company's policies for financial risk management including price risk, foreign exchange risk, interest rate risk, credit risk, liquidity risk and concentration risk and the policies and procedures in place to manage these risks are disclosed in note 13.

There has been increased uncertainty and disruption in the global economy and financial markets due to the COVID-19 pandemic, that may be mitigated by an effective vaccine or medication being rolled out and distributed globally. As a result efforts to contain its spread have impacted and will continue to impact the operations, financial condition, liquidity and cash flows of the Company and its underlying portfolio companies and industries for an indefinite period of time. Some of these companies and industries may be harmed financially from the pandemic, while others may benefit financially. Based on current information, the Company is not aware of any material impact on the financial statements arising from COVID-19 outbreak. In addition, there is no indication that the going concern assumption of the Company is inappropriate.

The risks of a potential discontinuation of interbank offered rates ("IBORs") by the end of 2021 has financial risk management implications, including, but not limited to, interest rate risk, foreign currency risk and capital risk. The Company has performed an assessment of the potential impact that a possible discontinuation of IBORs and transitions to alternative reference rates could have on its assets under management, balance sheet, investments, valuations and investors. The overall risk is assessed to be limited and the Company plans to update this assessment and agree on measures to prepare for this transition in the course of 2021 as additional visibility on the new market conventions become available.

**RELATED PARTY TRANSACTIONS**

The related party transactions in relation to the Company are disclosed in note 17.

**SIGNIFICANT SUBSEQUENT EVENTS**

The significant subsequent events in relation to the Company are disclosed in note 19.

**POLITICAL DONATIONS**

The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over €200 in aggregate made during a financial period. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial period ended 31 December 2020.

**DISCLOSURE OF INFORMATION TO AUDITORS**

As far as the Directors are aware, there is no relevant audit information of which the statutory auditors are unaware. The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

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**PGGLF 2 DESIGNATED ACTIVITY COMPANY**

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

**SHAREHOLDER MEETINGS**

The shareholders' rights and the operations of shareholders meetings are defined in the Constitution and comply with the Companies Act, 2014. The Company holds a general meeting as required by law.

**ACCOUNTING RECORDS**

The directors are responsible for ensuring that adequate accounting records, as outlined in Section 281 to 285 of the Companies Act 2014, are kept by the Company. The measures taken by directors to ensure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and by ensuring that a competent service provider is responsible for the preparation and maintenance of the accounting records. The accounting records are kept at 2<sup>nd</sup> Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland.

The Directors are responsible for the maintenance and integrity of the financial statements of the Company included on the website of Partners Group. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**AUDITORS**

PricewaterhouseCoopers, Chartered Accountants, appointed 22 July 2019 have indicated their willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014.

This report was approved by the Board on 26 March 2021 and signed on its behalf by:



Dave Dunne  
Director



Brian Groves  
Director

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## PGGLF 2 DESIGNATED ACTIVITY COMPANY

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### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

Under Irish law the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial period and of the profit or loss of the company for the financial period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors 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.

This report was approved by the Board on 26 March 2021 and signed on its behalf by:



Dave Dunne  
Director



Brian Groves  
Director



## ***Independent auditors' report to the members of PGGLF 2 Designated Activity Company***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, PGGLF 2 Designated Activity Company's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2020 and of its profit and cash flows for the period from 22 July 2019 (date of incorporation) to 31 December 2020 (the "period");
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2020;
  - the Statement of Comprehensive Income for the period then ended;
  - the Statement of Cash Flows for the period then ended;
  - the Statement of Changes in Equity for the period then ended; and
  - the notes to the financial statements, which include a description of the significant accounting policies.
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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.



## Our audit approach

### Overview



#### Materiality

- \$1,694,008
- Based on 1% of Total Assets.

#### Audit scope

- The company is a special purpose securitisation vehicle established as a “Qualifying Company” under Section 110 of the Taxes Consolidation Act, 1997 (as amended). The company’s investment activities are managed by Partners Group (UK) Management Limited and Partners Group (USA) Inc. The sole purpose of the company is to act as originator and risk retention holder. The Portfolio consists of subordinated Notes in Pikes Peak 5 CLO, Pikes Peak 6 CLO, Pikes Peak 7 CLO, Penta 8 CLO Designated Activity Company and PGGLF Assetco Designated Activity Company (the “CLO Financial Assets”).

#### Key audit matters

- Existence of financial assets at fair value through profit or loss
- Valuation of financial assets at fair value through profit or loss

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in the auditors’ professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Existence of financial assets at fair value through profit or loss</b></p> <p><b>Refer to Note 2.10 – Financial instruments, Note 7 – Financial assets at FVTPL and Note 13 – Financial risk management</b></p> <p>The financial assets at fair value through profit or loss at 31 December 2020 are held in the name of the company.</p> <p>The company’s financial assets at fair value through profit or loss consists of CLO Financial Assets.</p> <p>We focused on this area because it represents a significant element of the Statement of Financial Position.</p>	<p>We agreed the CLO Financial Asset holdings to the independent confirmation obtained from the Registrar.</p> <p>No material matters arose as a result of performing this procedure.</p>



**Key audit matter**

**How our audit addressed the key audit matter**

**Valuation of financial assets at fair value through profit or loss**

**Refer to Note 2.10 – Financial instruments, Note 7 – Financial assets at FVTPL and Note 13 – Financial risk management**

The financial assets at fair value through profit or loss included in the Statement of Financial Position of the company at 31 December 2020 are valued at fair value in line with IFRS.

The company’s financial assets at fair value through profit or loss consists of CLO Financial Assets.

We focused on this area because it represents a significant element of the Statement of Financial Position.

We also focused on the adequacy of the disclosures in the Notes to the Financial Statements.

We tested the valuation of the CLO Financial Assets by engaging our valuation experts to develop an independent valuation range for each CLO Financial Asset using a valuation model. We held discussions with management around key assumptions and estimates. The market values of the CLO Financial Assets in the Statement of Financial Position were considered for reasonableness against these independent valuation ranges.

For CLO Financial Assets held at cost, we verified the recent transaction prices.

There were no unresolved material misstatements as a result of performing these procedures.

We considered the adequacy of the disclosures included in the financial statements relating to the valuation of financial assets at fair value through profit or loss and concluded that they were appropriate.

**How we tailored the audit scope**

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

**Materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

<b>Overall materiality</b>	\$1,694,008
<b>How we determined it</b>	1% of Total Assets.
<b>Rationale for benchmark applied</b>	We have applied this benchmark because the main objective of the company is to provide holders of the profit participation notes with a total return taking account of the capital and income returns.

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above \$169,401 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

**Conclusions relating to going concern**

Our evaluation of the directors’ assessment of the company’s ability to continue to adopt the going concern basis of accounting included:

The company is a special purpose company with limited liability and qualifies for the regime contained in Section 110 of the Irish Taxes Consolidation Act, 1997 (the “TCA”). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D of the TCA, in respect of taxable profits. The Notes are limited recourse obligations of the company which are payable solely out of the amounts received in respect of the financial assets and other realisable assets held by the company. If the net proceeds from the realisation of the financial assets and other realisable assets following an event of default, other redemption date or at the maturity are insufficient to pay all the amounts due to the Noteholders, the Noteholders will have no further claim against the company in respect of any such unpaid amounts.



The Directors assessment of going concern considered: 1) Management's intent with regard to the structure, 2) the obligations and the purpose of the structure, 3) the liquidity and default rates of the underlying CLO investment portfolios, and 4) the profile and concentration of the Noteholders.

We considered the appropriateness of the going concern assessment of the company and the measures to mitigate and manage these risks over the going concern period by:

- Obtaining an understanding of the obligations of the company over the going concern period and the purpose of the structure.
- Evaluating the relevance and reliability of the data that formed part of management's going concern assessment.

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

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## Reporting on other information

The other information comprises all of the information in the Directors' Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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## Responsibilities for the financial statements and the audit

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing 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.

### *Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2014 opinions on other matters**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

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### **Other exception reporting**

#### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink that reads 'Olwyn Alexander'.

Olwyn Alexander  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin, Ireland  
29 March 2021

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PGGLF 2 DESIGNATED ACTIVITY COMPANY

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 22 July 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

	Notes	Financial period ended 31 December 2020 US\$
Income from financial assets		11,161,596
Net gains on investments and foreign currency at FVTPL	3	7,046,930
Fair value gain on financial liabilities	3	(7,897,971)
Interest expense on Notes issued at FVTPL	3	<u>(9,340,590)</u>
		969,965
<b>Operating expenses</b>		
Administration expenses	4	<u>(968,508)</u>
<b>Operating profit before taxation</b>		1,457
Taxation	5	<u>(365)</u>
<b>Profit for the financial period after taxation</b>		1,092
Other comprehensive income for the financial period		<u>-</u>
<b>Total comprehensive income for the financial period</b>		<u><u>1,092</u></u>

All amounts relate to continuing operations.

The accompanying notes on pages 16 to 34 form an integral part of these financial statements.

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PGGLF 2 DESIGNATED ACTIVITY COMPANY

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STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020

	Notes	As at 31 December 2020 US\$
<b>Non-current assets</b>		
Financial assets at FVTPL	7	<u>158,699,535</u>
<b>Current assets</b>		
Cash and cash equivalents	6	2,570,132
Trade and other receivables	8	56,087
Unsettled trades	11	8,075,083
		<u>10,701,302</u>
<b>Total assets</b>		<u><u>169,400,837</u></u>
<b>Non-current liabilities</b>		
Notes issued at FVTPL	9	<u>167,414,571</u>
<b>Current liabilities</b>		
Trade and other payables	10	1,985,173
Unsettled trades	11	-
		<u>1,985,173</u>
<b>Total liabilities</b>		<u>169,399,744</u>
<b>Equity</b>		
Ordinary share capital presented as equity	12	1
Retained earnings		1,092
<b>Total equity</b>		<u>1,093</u>
<b>Total equity and liabilities</b>		<u><u>169,400,837</u></u>

The accompanying notes on pages 16 to 34 form an integral part of these financial statements.

The financial statements were approved by the Board 26 March 2021 and signed on its behalf by:



Dave Dunne  
Director



Brian Groves  
Director

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PGGLF 2 DESIGNATED ACTIVITY COMPANY

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STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD FROM 22 July 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

Financial period from 22 July 2019 (date of incorporation) to 31 December 2020	Ordinary share capital US\$	Retained earnings US\$	Total US\$
As at 22 July 2019	-	-	-
Total comprehensive income for the financial period	1	1,092	1,093
As at 31 December 2020	<u>1</u>	<u>1,092</u>	<u>1,093</u>

The accompanying notes on pages 16 to 34 form an integral part of these financial statements.

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PGGLF 2 DESIGNATED ACTIVITY COMPANY

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STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 22 July 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2020

	Financial period ended 31 December 2020 US\$
<b>Cash flows from operating activities</b>	
Profit before taxation	1,092
Add/(deduct) non cash effects on operating income:	
Realised/unrealised movements on investments	(6,068,975)
Other foreign currency movements	(977,955)
Fair value gain on financial liabilities	7,897,971
Interest income on investments	(11,161,596)
Interest expense on notes	9,340,590
	<u>(968,873)</u>
Taxation paid	-
Increase in other payables	74,605
<b>Net cash outflows from operations</b>	<u>(894,268)</u>
<b>Cash flows from investing activities</b>	
Purchase of investments	(211,035,639)
Sale of investments/paydowns	50,329,996
Interest received on investments	11,105,510
<b>Net cash used in investing activities</b>	<u>(149,600,133)</u>
<b>Cash flows from financing activities</b>	
Issuance of notes	159,516,600
Repayment of notes	-
Interest paid on notes	(7,430,022)
<b>Net cash from financing activities</b>	<u>152,086,578</u>
<b>Net increase in cash and cash equivalents</b>	1,592,177
Foreign exchange loss on cash and cash equivalents	977,955
Cash and cash equivalents at the beginning of the financial period	<u>-</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<u><u>2,570,132</u></u>

The accompanying notes on pages 16 to 34 form an integral part of these financial statements.

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## PGGLF 2 DESIGNATED ACTIVITY COMPANY

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020

#### 1. Background of the Company

PGGLF 2 Designated Activity Company (the "Company") was incorporated on 22 July 2019 as a designated activity company under the laws of Ireland with registration number 653898. The Company is a special purpose company with limited liability and qualifies for the regime contained in Section 110 of the Irish Taxes Consolidation Act, 1997 (the "TCA"). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D of the TCA, in respect of taxable profits.

The sole purpose of the Company is to act as originator and risk retention holder. The Portfolio consists of senior secured loans, high yield securities in US Dollar and Euro ("Other Financial Assets"), subordinated Notes in Pikes Peak 5 CLO, Pikes Peak 6 CLO, Pikes Peak 7 CLO, Penta 8 CLO Designated Activity Company, and PGGLF Assetco Designated Activity Company (the "CLO Financial Assets").

#### 2. Accounting policies

##### 2.1 Statement of compliance and basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

The financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company financial statements are disclosed in note 2.3.

##### 2.2 New and amended standards and interpretations

###### **Standards, amendments and interpretations are not yet effective and have not been adopted early by the Company**

The following standards, amendments and interpretations that are not yet effective have not been adopted early by the Company. The directors anticipate that the adoption of those standards or interpretations will have no material impact on the financial statements of the Company.

Standard	Effective date*	Description
IAS 1 Presentation of Financial Statements	1 January 2020	New definition of "Material"
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020	New definition of "Material"
IFRS 17 Insurance contracts	1 January 2021	New Definition of material

\*Where new requirements are endorsed the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable to the Company, it will apply them from their EU effective date.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

**2. Accounting policies (continued)**

**2.3 Use of estimates and judgements**

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and differences may be material. The estimates and underlying assumptions are reviewed on an ongoing basis by the directors. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The key area of estimate and judgement for the Company is determining the fair value of financial assets and liabilities.

The fair value of financial assets and financial liabilities at FVTPL and derivative financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices at the close of business on the Statement of Financial Position date. For financial assets at FVTPL and derivative financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. The fair value of financial liabilities at fair value through profit or loss are linked to the fair value movement of the financial assets and the fair value of the derivative financial instruments and any other assets and liabilities in accordance with the terms and conditions of the Notes as documented in the Prospectus.

There is significant subjectivity in the valuation of Investments with very little transparency into market activity to provide support for fair value levels at which willing buyers and sellers would transact. In addition, there is subjectivity in the cash flow modelling due to the fact that the underlying investments, in many cases, require funding based on the future development of their investments. The estimates and judgements employed therein are therefore continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As a result of estimates and assumptions made concerning the future, the accounting estimates will, by definition, seldom equal and related actual results.

**2.4 Foreign currency transactions**

Monetary assets and liabilities denominated in foreign currency included in the Company's financial statements are measured in US Dollar denoted by the symbol "US\$" which is the Company's functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation at the financial period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income as part of other income and expenses.

Non-monetary assets and liabilities denominated in foreign-currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

**2.5 Interest income and interest expense**

Interest income and expense is recognised in the Statement of Comprehensive Income, using the original effective interest rate of the instrument as at the acquisition or origination date. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Interest on the Subordinated Notes is determined in accordance with the interest proceeds priority of payments as set out in the Prospectus. Payment of interest on the Subordinated Notes will only be made to the extent of the funds available after payments of expenses and interest on Notes, as set out in this priority of payments, regardless of the amount accrued during an accounting period.

**2.6 Other income**

Other income includes delayed compensation and upfront fee. Delayed compensation relates to cost of carry between trade date and settlement date of a trade of a CLO while upfront fee relates to income receivable as a reimbursement of costs incurred for a trade of a CLO. All other income is recognised on an earned basis in accordance with the amount stated in the contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020

2. Accounting policies (continued)

**2.7 Taxation**

The tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the financial period as calculated in accordance with Irish tax laws. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are not taxable or deductible and those items of income and expenses that have temporary differences. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of reporting period date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**2.8 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held with banks, balances reserved for the funding of unsettled trades and other short-term, highly liquid investments with original maturities of three months or less.

**2.9 Other receivables and payables**

The trade and other receivables and payables are initially measured at fair value. They are subsequently measured at amortised cost.

**2.10 Financial instruments**

The financial instruments held by the Company include the following:

- Financial assets; and
- Financial liabilities.

The Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020

2. Accounting policies (continued)

2.10 Financial instruments (continued)

**Financial assets**

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The Company's business model for managing the financial assets; and
- The contractual cash flows characteristics of the financial asset.

**Financial assets measured at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The Company includes in this category short-term non-financing receivables such as trade and other receivables.

**Financial assets measured at FVTPL**

A financial asset is measured at fair value through profit or loss if:

- Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category bonds and Collateral loan obligations (CLOs) and derivative assets that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

**Financial liabilities**

**Financial liabilities measured at FVTPL**

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Company includes in this category, derivative financial instruments and Notes issued and designated at FVTPL.

**Financial liabilities measured at amortised cost**

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category trade and other payables, unsettled trades and interest accrued on Notes.

**Financial assets and financial liabilities at FVTPL**

The category of financial assets and liabilities at FVTPL is sub-divided into:

- Financial assets and financial liabilities held for trading: financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term;
- Financial instruments designated as at FVTPL upon initial recognition.

The Company has designated its financial assets at FVTPL. The financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

**2. Accounting policies (continued)**

**2.10 Financial instruments (continued)**

**Other financial liabilities**

This category includes all financial liabilities, other than those classified as at FVTPL. These include trade and other payables and unsettled trades.

**Recognition**

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Initial measurement**

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss. Financial assets and liabilities (other than those classified as at FVTPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

**Subsequent measurement**

After initial measurement, the Company measures financial instruments which are classified as at FVTPL, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net change in fair value of financial assets and liabilities at FVTPL in the Statement of Comprehensive Income. Interest earned or paid on these instruments is recorded separately in interest income or expense in the Statement of Comprehensive Income. Financial liabilities, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- Transferred substantially all of the risks and rewards of the asset; or
- Neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020

2. Accounting policies (continued)

2.10 Financial instruments (continued)

**Determining fair values**

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described below. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

**Valuation of financial instruments**

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted (unadjusted) market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. Fair values of financial assets and financial liabilities that are traded in active markets, Level 1, are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using valuation techniques as outlined in note 13(a).

**Critical accounting judgements in applying the Company's accounting policies**

The objective of valuation techniques is to determine a fair value that reflects the price of the financial instrument at the reporting date that would have been entered into by market participants acting at arm's length.

For Level 2 and Level 3 financial assets, the fair values have been estimated by management based on values obtained from the Collateral Manager. The Collateral Manager uses prices provided by specialist pricing vendors where available or otherwise uses a variety of different valuation techniques as outlined in note 13(a).

2.11 Notes issued at FVTPL

**Classification**

Notes issued are recognised initially at fair value and are subsequently measured at FVTPL.

**Recognition and measurement**

A liability may be designated at FVTPL when it eliminates or significantly reduces a measurement or recognition inconsistency i.e., "an accounting mismatch" that would otherwise arise from measuring assets or liabilities or recognising gains and losses on them on a different basis. The Company derecognises a financial liability (or a part of the financial liability) from its Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

**2. Accounting policies (continued)**

**2.12 Net gain or loss on financial assets and liabilities at fair value through profit or loss**

Net gains or losses on financial assets and liabilities at FVTPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVTPL and include interest income and exclude interest expense. Unrealised gains and losses comprise changes in the fair value of financial instruments for the financial period. Realised gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

**2.13 Amounts due from/(payable for) unsettled trades**

Amounts due from/payable for unsettled trades represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled on the Statement of Financial Position date. The balances are held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Company shall measure the loss allowance on amounts payable for / due from unsettled trades at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

**2.14 Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.15 Other income and operating expenses**

All operating income and expenses are accounted for on an accrual basis.

**2.16 Ordinary share capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as deduction from the proceeds, net of tax.

**2.17 Limited recourse payable to Noteholders**

If the net proceeds of realisation of the financial assets secured as collateral against the Notes are less than the aggregate amount payable by the Company to the Noteholders, the obligations of the Company will be limited to such net proceeds, which shall be applied in accordance with the Prospectus. In such circumstances, the other assets (if any) of the Company will not be available for payment of such shortfall which shall be borne by the senior Noteholders, the subordinated Noteholders and the other secured parties in accordance with the Prospectus applied at the time of final settlement. Interest expense payable to the Noteholders is calculated by the calculation agent based on the applicable rate as defined in the Prospectus. As the obligations of the Company are limited recourse in nature, the return of interest and principal to the Noteholders is contingent on the realisable value of the assets. The returns made to the Noteholders over the life of the Company would include the effect of capital gain/loss as well as interest. At each reporting date, when the results of operations are computed, this gain or loss is recognised in the Statement of Comprehensive Income and added to or set off against the principal amounts.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

<b>3. Net gains on investments and foreign currency at FVTPL</b>	<b>Financial period ended 31 December 2020 US\$</b>
Interest income on financial assets at FVTPL	11,161,596
Gain on disposals	1,370
Unrealised gain on fair value of financial assets at FVTPL	6,067,605
Unrealised gain on fair value of Notes at FVTPL	(7,897,971)
Net foreign exchange differences	977,955
	<u>10,310,555</u>
Interest expense on Notes issued at FVTPL	(9,340,590)
	<u>969,965</u>

<b>4. Administration expenses</b>	<b>Financial period ended 31 December 2020 US\$</b>
Legal and professional fees	227,800
Corporate Service Provider Fees	107,362
Trustee fees	11,136
Collateral administration fees	229,609
Audit and tax fees	74,240
Other fees	318,361
	<u>968,508</u>

The Company has no employees. Accounting, management and corporate secretarial services have been outsourced to the Administrator.

<b>Fees payable to the auditors (exclusive of other expenses and VAT)</b>	<b>Financial period ended 31 December 2020 US\$</b>
Statutory audit	61,415
Tax compliance fees	-
	<u>61,415</u>

There are no other assurance or non-audit services provided by the independent auditor.

<b>5. Taxation</b>	<b>Financial period ended 31 December 2020 US\$</b>
Corporation tax based on profit for the financial period	<u>365</u>

Factors affecting Company tax charge for the financial period are detailed below:

	<b>Financial period ended 31 December 2020 US\$</b>
Profit on ordinary activities before corporation tax	<u>1,457</u>
Profit on ordinary activities multiplied by the standard rate of Irish corporation tax for the financial period of 12.5%	182
Effect of higher tax rate (25%) applicable for Company and Subsidiaries under section 110 TCA, 1997	183
Current tax charge for the financial period	<u>365</u>

**PGGLF 2 DESIGNATED ACTIVITY COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

**5. Taxation (continued)**

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

**6. Cash and cash equivalents**

**As at**  
**31 December 2020**  
**US\$**

Cash and cash equivalents	2,570,132
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**7. Financial assets at FVTPL**

**As at**  
**31 December 2020**  
**US\$**

Balance at the beginning of the financial period	-
Purchases of financial assets	211,035,639
Disposal of financial assets	(58,405,079)
Exchange rate difference	4,160,081
Unrealised movement on fair value of financial assets at FVTPL	1,908,894
Balance at the end of the financial period	158,699,535

CLO Financial Assets at FVTPL amount to S\$158,699,536. The Portfolio consists of CLO Financial Assets. Pikes Peak 5 CLO, Pikes Peak 6 CLO, Pikes Peak 7 CLO were incorporated in accordance with the laws of Cayman Islands. Penta 8 CLO DAC was incorporated in accordance with the laws of Republic of Ireland. and the sole purpose of the Company is to acquire a portfolio of Collateralised Loan Obligations financed through the issuance of limited recourse listed debt obligations to investors.

**8. Trade and other receivables**

**As at**  
**31 December 2020**  
**US\$**

Accrued interest on financial assets at FVTPL	56,086
Other receivables	1
	56,087

Trade and other receivables are recoverable within 12 months from the Statement of Financial Position date.

**9. Notes issued at FVTPL**

**As at**  
**31 December 2020**  
**US\$**

Class A Fixed Rate Notes issued	127,499,640
Class B Profit Participating Notes issued	32,016,960
Fair value adjustments on Notes	7,897,971
	167,414,571

The final maturity date of the Class A Fixed Rate Notes is 2037 and Class B Profit Participating Notes is 2037. The Notes are secured by a pledge over the assets. The Notes may be redeemed before their final legal maturity, in whole or in part. The Notes are listed on The International Stock Exchange (Channel Islands Stock Exchange).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

<b>10. Trade and other payables</b>	<b>As at 31 December 2020 US\$</b>
Interest accrued on Notes	1,910,568
Accrued expenses	74,240
Corporation tax payable	365
	1,985,173

All accrued payables are due within one period.

<b>11. Unsettled trades</b>	<b>As at 31 December 2020 US\$</b>
Unsettled sales of investments	8,075,083
Unsettled purchases of investments	-

<b>12. Ordinary share capital presented as equity</b>	<b>As at 31 December 2020 US\$</b>
<b>Authorised</b>	
100 ordinary shares of €1 each	1
<b>Issued</b>	
1 ordinary share of €1	1

The Company has issued 1 share to Intertrust Management (Ireland) Limited on trust for charitable purposes, pursuant to declaration of trust.

**13. Financial risk management**

The Company's financial instruments include financial assets at FVTPL, cash and cash equivalents, trade and other receivables, Notes issued at FVTPL, trade and other payables (excluding any tax payables) and unsettled trades that arise directly from its operations.

The Company is exposed to a variety of financial risks: market risk, credit risk, liquidity risk and concentration risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

**Capital risk management**

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to Noteholders through the optimisation of the debt balances.

The capital managed by the Company comprises of ordinary shares outstanding and the Notes issued and outstanding as at the financial period end. The Company is not subject to externally imposed capital requirements.

**(a) Market risk**

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

**PGGLF 2 DESIGNATED ACTIVITY COMPANY**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

**13. Financial risk management (continued)**

**(a) Market risk (continued)**

**(i) Foreign exchange risk**

The Notes issued by the Company are denominated in US Dollar. The proceeds of the Notes were used to buy assets denominated in US Dollar and Euro. The tables below show the Company's exposure per original currency of its financial assets and financial liabilities as at 31 December 2020.

As the Notes are limited recourse, all profits and losses are passed on to the Noteholders, and there is no residual risk remaining in the Company.

The tables below show the Company's exposure per original currency of its financial assets and financial liabilities as at 31 December 2020.

<b>As at 31 December 2020</b>	<b>EUR US\$</b>	<b>USD US\$</b>	<b>Total US\$</b>
<b>Assets</b>			
Financial assets at FVTPL	58,002,425	100,697,110	158,699,535
Cash and cash equivalents	83,286	2,486,846	2,570,132
Trade and other receivables	1	56,086	56,087
Unsettled trades	8,075,083	-	8,075,083
	<u>66,160,795</u>	<u>103,240,042</u>	<u>169,400,837</u>
<b>Liabilities</b>			
Notes issued at FVTPL	(70,564,242)	(96,850,329)	(167,414,571)
Trade and other payables	(74,605)	(1,910,568)	(1,985,173)
	<u>(4,478,052)</u>	<u>4,479,145</u>	<u>1,093</u>

**Foreign exchange sensitivity**

The impact of a 5% movement in currency exchange rate is shown as follows:

<b>Description</b>	<b>Financial period ended 31 December 2020 US\$</b>
5% movement in foreign exchange on foreign currency assets	3,308,040
5% movement in foreign exchange on foreign currency liabilities	(3,531,942)
Adjustment on financial liabilities at FVTPL	223,902
Changes in profit for the period	<u><u>-</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020

13. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As the Company has limited recourse Notes issued, all gains and losses on foreign exchange fluctuations are passed on to the Noteholders with no residual risk remaining in the Company.

The sensitivity analysis refers to a percentage amount multiplied by the carrying amount of those financial instruments denominated in foreign currency. There will be no impact on equity on account of sensitivity analysis.

(ii) 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 interest.

The tables below summarise the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts categorised by contractual repricing.

As at 31 December 2020	Fixed rate US\$	Variable rate US\$	Non-interest bearing US\$	Total US\$
<b>Assets</b>				
Financial assets at FVTPL	-	158,699,535		158,699,535
Cash and cash equivalents	-	2,570,132		2,570,132
Trade and other receivables	-	-	56,087	56,087
Unsettled trades	-	-	8,075,083	8,075,083
	-	161,269,667	8,131,170	169,400,837
<b>Liabilities</b>				
Notes issued at FVTPL	(133,805,304)	(33,609,267)	-	(167,414,571)
Trade and other payables	-	-	(1,985,173)	(1,985,173)
	(88,457,450)	(78,957,121)	(1,985,173)	(169,399,744)

Interest rate sensitivity

The impact of a 5% movement in the interest rate on the Statement of Comprehensive Income is shown as follows:

Description	Financial period ended 31 December 2020 US\$
% net movement in interest rates	558,080
Adjustment on financial liabilities at FVTPL	(558,080)
Changes in profit for the financial period	-

As the Company has limited recourse Notes issued, all profits and losses are passed on to the Noteholders, there is no residual risk remaining in the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020

13. Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

Price risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

The tables below provide an analysis of the basis of measurement used by the Company for its financial instruments that are carried at fair value as per the above hierarchy:

Financial instruments measured at fair value through profit or loss

As at 31 December 2020	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Financial assets at FVPTL</b>				
Financial assets at FVTPL	-	-	158,699,535	158,699,535
	-		158,699,535	158,699,535
<b>Financial liabilities at FVTPL</b>				
Notes issued at FVTPL	-	-	(167,414,571)	(167,414,571)
	-		(167,414,571)	(167,414,571)

Financial instruments measured at fair value through profit or loss

Level 3 reconciliation – Financial assets at FVTPL

	Financial period ended 31 December 2020 US\$
Balance at the beginning of the financial period	-
Purchase of financial assets at FVTPL	177,263,341
Disposal of financial assets at FVTPL	(24,469,836)
Changes in fair value	5,906,030
Balance at the end of the financial period	158,699,535

Level 3 reconciliation – Financial liabilities at FVTPL

	Financial period ended 31 December 2020 US\$
Balance at the beginning of the financial period	-
Issuance of loan notes	159,516,600
Changes in fair value	7,897,971
Balance at the end of the financial period	167,414,571

The fair values of financial assets classified under Level 2 are determined using recognised pricing services with 2 or more contributors or a combination of broker quotes. Where the number of contributors for a price is less than 2 or there is only one broker quote, the asset may be classified as Level 3. Other Level 3 investments are sourced from the Collateral Manager's internal credit analysts.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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Other Financial Assets are valued by Markit and the levels are determined by the number of available broker quotes.

The Notes issued by the Company are limited recourse obligations and the future cash flows for the Notes depends on the future cash flows of the financial assets at FVTPL after deducting the cash outflows and other liabilities.

The carrying value of all other financial assets and liabilities (that are not at fair value through profit or loss) closely approximate fair value and are classified as Level 2 financial instruments within the fair value hierarchy.

**Valuation methodologies**

When price quotations are not available from unaffiliated market makers or other financial institutions that regularly trade similar investments, independent valuation agents determine the fair value of assets using valuation models. The fair value established pursuant to such methodologies may never be realised, which could result in losses.

**Price risk and unobservable inputs sensitivity analysis**

Due to the limited recourse nature of the Notes issued by the Company, profits or losses arising from movements in fair value of financial instruments pass to the Noteholders. Therefore, the Company has no net exposure to price risk and as such no Level 3 sensitivity analysis has been presented.

As the Company has limited recourse Notes issued, all profits and losses are passed on to the Noteholders, there is no residual risk remaining in the Company.

The tables below analyse the fair values of financial instruments not measured at fair value, by the level in the fair value hierarchy in which each fair value measurement is categorised:

1. Quoted (unadjusted) prices in active markets for identical assets or liabilities;
2. Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
3. Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

**Financial instruments not measured at fair value through profit or loss but for which fair values are presented**

<b>As at 31 December 2020</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	2,570,132	-	-	2,570,132
Trade and other receivables	-	56,087	-	56,087
Unsettled trades	-	8,075,083	-	8,075,083
	<u>2,570,132</u>	<u>8,131,170</u>	<u>-</u>	<u>10,701,302</u>
<b>Financial liabilities</b>				
Trade and other payables	-	(1,985,173)	-	(1,985,173)
	<u>-</u>	<u>(1,985,173)</u>	<u>-</u>	<u>(1,985,173)</u>

The assets and liabilities included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value with a maturity of three months or less. As such, Level 1 has been deemed the most appropriate categorisation for the Company's cash and cash equivalents.

Trade and other receivables represent the contracted amounts for settlement trade and trade and other receivables. Level 2 is most appropriate for trade and other receivables.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

**13. Financial risk management (continued)**

**(a) Market risk (continued)**

**(iii) Price risk (continued)**

Trade and other payables represent the contractual amounts and obligations due by the Company for settlement of payables and expenses. As a result, Level 2 is deemed to be the most appropriate categorisation for the Company's trade and other payables and interest accrued on Notes.

Unsettled trades consist of purchases or sales not settled as at financial period end. These amounts are due to be received or paid subsequent to financial period end. Level 2 is most appropriate for unsettled trades.

**(b) Credit risk**

Credit risk arises from the possibility of obligors failing to meet their obligations to the Company and represents the most significant category of risk. The Company manages the credit risk by engaging in full analysis of possible investments and limiting investments to high credit quality institutions. The over-collateralisation tests monitor the quality of the assets used by the Company to meet its obligations to Noteholders.

Investments are subject to credit risk. Credit risk mainly refers to the Company being exposed to the ability of the issuers to make principal and interest payments when due in accordance with the terms and conditions of the debt instruments.

Defaults of issuers negatively impact the performance of the Company. The Collateral Manager is mitigating the credit risk through monitoring and ensuring that sufficient diversification across single positions and industry sectors is provided for the portfolio.

**Financial assets subject to expected credit loss analysis requirements**

The Company's financial assets subject to the ECL model are only cash and cash equivalents, trade and other receivables and unsettled trades where a nil loss allowance had been provided.

There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off during the period.

As only cash and cash equivalents, trade and other receivables and unsettled trades are impacted by the ECL model, the Company has adopted the simplified approach. No loss allowance has been recognised as the amortised cost financial assets are short term in nature and ECL provision is not material.

**Financial assets not subject to expected credit loss analysis requirements**

The Company is exposed to credit risk on CLOs, loans and bonds. These classes of financial assets are not subject to expected credit loss analysis as they are measured at FVTPL. The carrying value of these assets represents the Company's maximum exposure to credit risk on financial instruments not subject to the expected credit loss analysis on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

The table below represents the maximum exposure to credit risk:

**Credit risk exposures relating to financial instruments**

	<b>As at 31 December 2020 US\$</b>
(i) Financial assets at FVTPL	158,699,535
(ii) Cash and cash equivalents	2,570,132
(iii) Trade and other receivables	56,087
(iv) Unsettled trades	8,075,083
	169,400,837

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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13. Financial risk management (continued)

(b) Credit risk

(i) Financial assets at FVTPL

The risk management systems in place do not facilitate splitting the overall fair value movement into its individual components, specifically credit risk and market risk.

The directors rely on the overall fair value movement to assess the performance of the Portfolio and as such do not require the individual components of the risk. In their opinion the credit ratings assigned to each financial asset in the Portfolio along with the ongoing monitoring of its performance are reasonable assessments of the credit risk.

The Collateral Manager monitors the credit status of all of the financial assets held by the Company and compares this against the market values that could be derived by selling the securities. The credit characteristics of the financial assets in the Portfolio are measured, updated and analysed every quarter, and in some cases every month, to determine the current credit status of each financial asset. In most cases, this includes re-running updated delinquency, loss, and prepayment stress projections through the individual asset liability waterfalls in order to determine loss coverage for the tranche in question. The Collateral Manager tracks the credit ratings for the financial assets in the Portfolio.

The following table analyses the Company's Portfolio of such assets by rating agency category:

The Moody's credit rating profile of the financial assets at FVTPL is as follows:

Credit rating	As at 31 December 2020 %
B1	-
B2	-
B3	-
Ba3	-
Baa3	-
Caa1	-
Caa2	-
Not rated	158,699,535
	<u>158,699,535</u>

In addition to the credit rating above, the Collateral Manager also considers other factors to minimise credit risk, such as general risk of the industry and historical performance of the industry and the CLO. The industry analysis is included in note 13(d).

(ii) Cash and cash equivalents

The Moody's long-term credit rating profile of account bank holding the cash and cash equivalents balance is as follows:

Credit ratings	As at 31 December 2020
U.S. Bank	Aa1

(iii) Trade and other receivables

The credit rating profile of the trade and other receivables are in line with that of the financial assets disclosed above as they mainly relate to accrued interest income.

(iv) Unsettled trades

Unsettled trades include sales which are normally settled within three months after trade date. The counterparties for these financial assets are not rated.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**13. Financial risk management (continued)**

**(c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. Prudent liquidity risk management means that the Company maintains sufficient cash and liquid investments. The ability of the Company to meet its ongoing obligations towards the Noteholders is dependent on the receipt of interest and principal from the Portfolio of financial assets.

The interest rate coverage test is an indicator of funds available and interest payments and cash outflow to Noteholders is adjusted based on this coverage test. The table represents the cashflows payable by the Company by remaining contractual maturities at the end of reporting period.

The amounts disclosed in the tables are the contractual undiscounted cashflows whereas the Company manages the inherent liquidity risk based on expected undiscounted cash inflows.

<b>As at 31 December 2020</b>	<b>Carrying amount US\$</b>	<b>Gross contractual cashflows US\$</b>	<b>Up to 1 year US\$</b>	<b>1-2 years US\$</b>	<b>2-5 years US\$</b>	<b>Over 5 years US\$</b>
<b>Financial liabilities</b>						
Notes issued at FVTPL	167,414,571	167,414,571	-	-	-	167,414,571
Interest accrued on Notes	1,910,568	180,126,731	12,110,539	20,399,942	30,599,914	117,016,336
Accrued expenses	74,481	74,481	74,481	-	-	-
	<u>169,399,620</u>	<u>347,615,783</u>	<u>12,185,020</u>	<u>20,399,942</u>	<u>30,599,914</u>	<u>284,430,907</u>

The liquidity table does not consider the special and mandatory redemption on the Notes which may result in earlier maturity dates.

Interest on Subordinated Notes was not included since it will be determined in accordance with the interest proceeds priority per Prospectus.

The risks of a potential discontinuation of interbank offered rates ("IBORs") by the end of 2021 has financial risk management implications, including, but not limited to, interest rate risk, foreign currency risk and capital risk. The Company has performed an assessment of the potential impact that a possible discontinuation of IBORs and transitions to alternative reference rates could have on its assets under management, balance sheet, investments, valuations and investors. The overall risk is assessed to be limited and the Company plans to update this assessment and agree on measures to prepare for this transition in the course of 2021 as additional visibility on the new market conventions become available.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FINANCIAL PERIOD FROM 22 JULY 2019 (DATE OF INCORPORATION) TO 31 December 2020**

**13. Financial risk management (continued)**

**(d) Concentration risk**

Concentration risk can arise from the type of investments held in the portfolio, the maturity of assets, the concentration of sources of funding, concentration of counterparties or geographical locations. Prudent risk management implies maintaining the exposure to various risks at a reasonable level.

The Collateral Manager monitors the exposure of the Company to various risks including country/geographical, single obligor/counter-party, industry categories/segments and asset type. The exposure by single obligor is maintained at a low level and in each case is below 5% of the total investment. Please refer to table in note 15 (ii) for geographical breakdown and table for exposure across industry categories.

The industry exposures for the financial assets at FVTPL are shown below:

<b>Moody's industry categories</b>	<b>As at 31 December 2020 %</b>
Banking, Finance, Insurance	100%
	<u>100%</u>

**14. Offsetting financial assets and financial liabilities**

There is no offsetting arrangement in place with any of the parties and therefore there is no offsetting transaction as at 31 December 2020.

**15. Segment risk and reporting**

IFRS 8 "Operating Segments" requires an entity to disclose information about its segments which enables users to evaluate the nature and financial effects of its business activities and the economic environments in which it operates.

The Company is structured in a way that the assets and liabilities are managed as a whole and there are no distinct identifiable segments. The reporting, risk management and administration are performed on a collective basis rather than based on segments. The Collateral Manager acts as the chief operating decision maker.

**(i) Revenue from major products and services**

The Company's revenue is generated from loans held in CLO during the financial period. The Company has no other product or revenue generating source.

**(ii) Geographical information**

The Company's financial assets at FVTPL by geographical location are detailed below.

	<b>% Exposure As at 31 December 2020</b>
Cayman Islands	63.7%
Ireland	36.3%
	<u>100%</u>

**16. Contingent liabilities and commitments**

There were no contingent liabilities or commitments as at 31 December 2020. Contingent liabilities are assessed continually to determine whether transfers of economic benefits have become probable. Where future transfers of economic benefits change from previously disclosed contingent liabilities, provisions are recognised in the year in which the changes in probability occur.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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**17. Related party transactions**

Intertrust Management (Ireland) Limited (the "Administrator") provides corporate administration services to the Company at arm's length commercial rates.

The Collateral Manager and the Company have entered into a Collateral Management and Administration Agreement, and therefore the Collateral Manager is considered to have the authority and responsibility for planning and directing the activities of the Company being the purchase and sale of the Portfolio.

The Noteholders of the Company are PG Finance EUR IC Limited, PG Finance USD IC Limited, and PG Daintree Co-invest L.P. PG Finance EUR IC Limited and PG Finance USD IC Limited are subsidiaries of Partners Group Holding AG.

PG Daintree Co-invest L.P., is a Guernsey Limited Partnership, whereby the General Partner (Partners Group Management XIII Limited) is a subsidiary of Partners Group AG.

The Company acquired subordinated notes of the Penta CLOs and Pikes Peak CLOs as risk retention holder as follows:

<b>Date</b>	<b>CLO</b>	<b>Currency</b>	<b>Par Amount</b>
10/02/2020	PGGLF Assetco DAC	EUR	35,085,008
26/03/2020	Pikes Peaks CLO 5	US\$	31,500,000
15/05/2020	Pikes Peaks CLO 6	US\$	35,700,000
24/07/2020	Pikes Peaks CLO 7	US\$	18,970,000
20/07/2020	Penta 8 CLO DAC	EUR	31,200,000
			152,455,008

There were no other contracts of any significance in relation to the business of the Company in which the directors had any interest, as defined in the Companies Act 2014 at any time during the financial period.

**18. Charges**

The Notes are secured in favour of the Trustee for the benefit of the Noteholders by security over the Portfolio of CLOs. The Notes are also secured by an assignment by way of security of Company's various rights, including its rights under the agreements entered by the Company.

**19. Significant subsequent events**

The Board note the ongoing risks that are posed to the Company and its service providers due to the COVID-19 pandemic post year end. Following the subsequent spread of the virus globally, the World Health Organisation declared the COVID-19 outbreak to be a pandemic on 11 March 2020. The ongoing pandemic is considered a non-adjusting subsequent event. At present it is not possible to assess the detailed impact, of this risk, on the companies in our portfolio but there is growing concern about the impact on the world economy. In the light of significant corrections and heightened volatility in the financial markets over the past few weeks, the Collateral Manager continue to observe the efforts of governments to contain the spread of the virus in order to monitor and manage the economic impact on the companies in the portfolio and on the Company. In addition, there is no indication that the going concern assumption is inappropriate.

David Dunne replaced Paul Griffith as Director on 3 March 2020.

The Board is of the opinion that no other events took place between the end of the reporting period and the date of approval of these financial statements that would require disclosure in or adjustments to the amounts recognized in these financial statements.

**20. Approval of financial statements**

The Board approved and authorised for issue these financial statements on 26 March 2021.