

**CLEARANCE CAMINO FUND LIMITED**

**ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**CORPORATE INFORMATION**

**Directors**

Michael Fienberg (Independent Non-executive)  
Simon Cox (Independent Non-executive)  
David Axten (Independent Non-executive)  
Wessel Hamman (Non-executive)\*  
Charl Cloete (alternate Director for Wessel Hamman)\*  
Patrick Bushnell (Independent Non-executive)\*

**Registered Office**

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

**Investment Manager & Investment Advisor**

Clearance Capital Limited  
3 Copthall Avenue  
London  
EC2R 7BH  
United Kingdom

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

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

**South Africa Representative**

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

**Guernsey Legal Advisers**

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

**UK Legal & Tax Advisers**

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

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

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

**Independent Auditor**

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

\*Wessel Hamman and Charl Cloete resigned as directors on 5 May 2021. Patrick Bushnell was appointed as director on the same date.

# CLEARANCE CAMINO FUND LIMITED

## INVESTMENT MANAGER'S REPORT FOR THE YEAR ENDED 31 MARCH 2021

The movement in the net asset value of Clearance Camino Fund Limited's (the "Company") shares during the year ended 31 March 2021 amounted to the following:

Share class	Currency	Net return for the year ended 31 March 2021	Net return for the year ended 31 March 2020
Class A Euro Shares	Euro	+24.2%	-2.3%
Class B Euro Shares	Euro	+25.2%	-3.0%
Class C Euro Shares	Euro	+24.8%	-1.4%
Class A Sterling Shares	Pound Sterling	+19.6%	-0.1%
Class B Sterling Shares	Pound Sterling	+20.1%	-0.2%
Class C Sterling Shares	Pound Sterling	+20.5%	-0.2%
Class A US Dollar Shares	US Dollars	+32.9%	-4.5%
Class B US Dollar Shares	US Dollars	+34.1%	-5.4%

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

Index	Currency	Net return for the year ended 31 March 2021	Net return for the year ended 31 March 2020
FTSE/EPRA NAREIT Developed Europe Net Total Return Index	Euro	+20.1%	-16.2%
Eurostoxx 50 Net Total Return Index	Euro	+43.5%	-14.7%

Following the dramatic decline during the final two months of the previous financial year when the EPRA and Eurostoxx indices declined by 27.2% and 23.3% respectively amidst the outbreak of COVID-19, equity markets rebounded during the year ended 31 March 2021, supported by large scale monetary and fiscal stimulus packages announced by the major economies. Equity markets responded especially positive to the US election results and Pfizer vaccine clinical trial results in November 2020.

The COVID-19 pandemic served to accelerate trends established before the disease prompted global lockdowns, applying further downward pressure on retail real estate whilst properties serving tenants in the logistics sector benefited from the rapid expansion of online retail. Hospitality and leisure assets were severely impacted, whilst the outlook for offices were negatively impacted by the uncertain long-term impact of flexible working practices on occupier demand. The distinction between real estate directly impacted by the pandemic versus those sectors which were largely unaffected, and therefore still viable targets for capital in search of yields, drove significant dispersion in the European real estate market. The positive news regarding the efficacy of the Pfizer vaccine announced in November 2020 prompted a dramatic value reversal as the share prices of the companies that had performed worst up to the announcement, recovering most strongly.

**INVESTMENT MANAGER'S REPORT FOR THE YEAR ENDED 31 MARCH 2021  
(CONTINUED)****Investment portfolio**

As at 31 March 2021, the investment portfolio was exposed to properties located in the following regions and exposed to the following sectors:

<b>Region</b>	<b>Exposure as portion of net asset value as at 31 March 2021</b>	<b>Exposure as portion of net asset value as at 31 March 2020</b>
Germany	29%	29%
United Kingdom	23%	21%
Nordic countries	14%	18%
France	10%	16%
Benelux	12%	9%
Switzerland	2%	0%
Iberia	1%	4%
Other regions	9%	3%
<b>Sector</b>		
Office	20%	29%
Residential	28%	26%
Industrial & logistics	15%	17%
Retail	14%	10%
Healthcare	7%	6%
Student residential	4%	3%
Self-storage	2%	3%
Other	10%	6%

**Outlook**

Politics continue to have an impact on investors' sentiment. On the eve of the 5th anniversary of the UK's decision to exit the European Union, the Conservatives' lead in England has been secured following a round of local elections, with the pressure for a second Scottish independence vote remaining. German national elections in September 2021 may see the incumbent CDU-CSU coalition displaced by a coalition of more left leaning parties which could bring residential rent control measures back into the frame following the Constitutional Court's rejection of the rental cap imposed by Berlin.

Whilst the monetary and fiscal backdrop in Europe is supportive of real estate, there are significant uncertainties affecting a significant portion of the Company's investment universe. We continue to focus on the established investment process aimed at identifying the companies with the best risk-adjusted return prospects.

## **CLEARANCE CAMINO FUND LIMITED**

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### **REPORT OF THE CUSTODIAN**

In respect of the year 1 April 2020 to 31 March 2021, we state that in our opinion, Northern Trust International Fund Administration Services (Guernsey) Limited has in all material respects managed the Company:

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

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

4 August 2021



### **REPORT OF THE DEPOSITARY**

As Depositary we are responsible for carrying out duties set out in Article 21 paragraphs (7) (8) & (9) of the AIFMD and can confirm that monitoring has taken place to ensure that Clearance Capital Limited (the AIFM) are compliant with Article 21 paragraphs (7) (8) & (9) for the year ended 31 March 2021, and that we have no matters of concern to report.

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

4 August 2021



## **REPORT OF THE DIRECTORS**

The Directors present their report and the audited financial statements for the year ended 31 March 2021.

### **INCORPORATION**

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

### **ACTIVITIES**

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

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

### **RISKS AND UNCERTAINTIES**

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

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

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

The presentation of these Financial Statements has not been impacted by COVID-19.

The Directors note the developing situation regarding the COVID-19 pandemic and will continue to monitor the impact of the pandemic on the Company’s performance. Since 31 March 2021, there have been no significant negative movements in net asset value or significant redemptions from the Company.

There have been no other significant events during the year.

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

Wessel Hamman and Charl Cloete resigned as directors on 5 May 2021. Patrick Bushnell was appointed as director on the same date.

There have been no other events since the year end date, which, in the opinion of the Directors of the Company may have an impact on the financial statements for the year ended 31 March 2021.

### **RESULTS AND DIVIDENDS**

The total comprehensive income for the year amounted to €8,699,764 (31 March 2020: (€464,993)).

The Directors do not recommend a dividend for the year (31 March 2020: €Nil).

### **INDEPENDENT AUDITOR**

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

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

**REPORT OF THE DIRECTORS (CONTINUED)**

**INDEPENDENT AUDITOR (CONTINUED)**

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

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

**DIRECTORS**

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

Michael Fienberg  
Simon Cox  
David Axten  
Wessel Hamman  
Charl Cloete (alternate Director for Wessel Hamman)  
Patrick Bushnell

Wessel Hamman and Charl Cloete resigned as directors on 5 May 2021. Patrick Bushnell was appointed as director on the same date.

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

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

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

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

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

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



**REPORT OF THE DIRECTORS (CONTINUED)**

**EU ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE**

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

**SECRETARY**

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

**REGULATION**

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

**BREXIT**

The Board continues to monitor the impact of the UK’s withdrawal from the European Union on the Company. The Board is not aware of any regulatory developments that would have a material negative impact on the Company’s activities.

**GOING CONCERN**

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

After making all reasonable enquiries and having regard to the nature of the Company and its investments, the Directors are satisfied based on information available to them at the present time, that it is appropriate to adopt the going concern basis in preparing the financial statements and, after due consideration, the Directors consider that the Company is able to continue in the foreseeable future. A further discussion on the liquidity profile of the Company is contained in the Financial Risk Management Objectives and Policies note to these financial statements, refer to note 14.

**BY ORDER OF THE BOARD**



Simon Cox  
Director

4 August 2021

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

Report on the audit of the financial statements

## Opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008, the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Principal Documents.

We have audited the financial statements which comprise:

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

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

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Summary of our audit approach

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<b>Key audit matters</b>	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"><li>• Valuation of the Company's Investment portfolio, including the accuracy of the unrealised gain/(losses) on appreciation of investments; and</li><li>• Revenue recognition in relation to the completeness and accuracy of realised gain on disposal of investments</li></ul>
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARANCE CAMINO FUND LIMITED (CONTINUED)****Summary of our audit approach (continued)**

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<b>Key audit matters</b>	Within this report, key audit matters are identified as follows: <ul style="list-style-type: none"><li>• Newly identified</li><li>• Increased level of risk</li><li>• Similar level of risk</li><li>• Decreased level of risk</li></ul>
<b>Materiality</b>	The materiality that we used in the current year was €916,000 which was determined on the basis of 2% of Net Asset Value.
<b>Scoping</b>	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
<b>Significant changes in our approach</b>	There have been no significant changes in our audit approach

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**Conclusions relating to going concern**

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

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

- challenged the reasonableness of management's assumptions by assessing the liquidity of the investment portfolio and liquidity of the fund to meet future redemptions;
- challenged the management conclusion on the impact of Covid-19 on the going concern assumptions by assessing the performance of the investment portfolio against the EPRA, and the broader European equity markets;
- assessed the performance of the investment manager by assessing its latest financial performance; and
- evaluated the appropriateness of the going concern disclosures in the financial statements

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 when the financial statements are authorised for issue.

In relation to the reporting on how the Company has applied the Code of Corporate Governance issued by the Guernsey Financial Services Commission, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

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

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

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

**Valuation of the Company's Investment Portfolio, including the accuracy of the unrealised gain/(losses) on appreciation of Investments**

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**Key audit matter description**

The Company holds an Investment Portfolio with a Fair Value of €45,375,126 as at 31 March 2021 (2020: €33,792,350). The Investment portfolio comprises European property sector equity securities all of which are listed on recognised stock exchanges, as disclosed in Note 3 to the financial statements and in the portfolio statement on pages 41 to 42. These investments make up the majority of the Company's net assets and any misstatement could significantly impact the Net Asset Value ('NAV') of the Company.

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

The fair value of listed securities as at 31 March 2021 is deemed by the directors to be a last market price at the reporting date, the directors believe that the bid price is the best estimate of fair value in accordance with IFRS 13 'Fair Value Measurement'. There is a risk that investments are not appropriately valued in accordance with the accounting policy and independent market values.

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

Valuation of the investment portfolio is also affected by the unrealised gains/(losses) on the investments. There is a risk that the unrealised gains on the investments at year end are not computed accurately.

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

To test the valuation of investments and associated unrealised gain/(loss) movement we performed the following procedures:

- Obtained an understanding of the relevant controls relating to the valuation of investments, including relevant controls adopted by the Company's administrator;
  - Assessed management's valuation policy and methodology adopted and compared this to IFRS and industry practice;
  - Obtained independent market pricing information from Refinitiv - Eikon Financial Analysis as at 31 March 2021 and traced unit prices of all investments to trading platforms. We also reviewed the trading volumes of the securities held to assess whether they were actively traded on the market;
  - Tested the reasonableness of exchange rates used in converting investments denominated in currencies other than the Euro by comparing rates used to independent sources;
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARANCE CAMINO FUND LIMITED (CONTINUED)****Key audit matters (continued)**

<b>How the scope of our audit responded to the key audit matter</b>	<ul style="list-style-type: none"><li>Recalculated the movement in the unrealised gain/ (loss) for the year by subtracting the cost of the investments held at year end from the fair value; and</li><li>Held conversations with the investment manager to understand the continuing impact of Covid-19 on the investment portfolio and steps taken to address this up to and post the Company's year end.</li></ul>
<b>Key observations</b>	Based on the work performed we concluded that the valuation of investments and the accuracy of the unrealised gain/(loss) movement included in the investment valuation is appropriate.

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**Revenue recognition in relation to the completeness and accuracy of realised gain on disposal of investments**

<b>Key audit matter description</b>	<p>The Company has net realised gains from investments of €3,009,367 as at 31 March 2021 (2020: €6,496,880). Realised gains from the disposal of investments form a significant amount of the Company's income and in accordance with the requirements of ISA 240 we presume a risk of material misstatement due to fraud related to revenue recognition.</p> <p>A large proportion of the gains relate to the disposal of investments in the European property sector during the year. The level of investment disposals reduced in the current year resulting in a lower level of realised gains being recognised.</p> <p>We have focused our key audit matter on the completeness and accuracy of net realised investment gains /(losses) arising from the investment portfolio as there is a risk that inaccurate or incomplete recognition of income could result in misstatement of the Company's income which could result in incorrect results being posted with regards to the Company's performance. In prior year, dividend income was considered as a key audit matter. However, in the current year, we have assessed the potential fraud risk in dividend income as low due to the simple nature of the revenue stream.</p> <p>Details of the realised gains are disclosed in Note 3 to the financial statements and the Portfolio Statement included on pages 41 and 42.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>To test the valuation of investments and associated unrealised gain/(loss) movement we performed the following procedures:</p> <ul style="list-style-type: none"><li>Obtained an understanding of the relevant controls associated with revenue recognition;</li><li>Tested the disposal proceeds to custodian confirmation and bank payments to assess whether the amount being used to calculate the gains/(losses) is based on what was received;</li><li>Checked trade date for sales of investments with the custodian confirmation;</li><li>Checked whether the initial cost of the investment had been correctly recorded by comparing the opening cost being used to calculate the gains/losses against the original cost when the investments were purchased in prior years; and</li><li>Recalculated the realised gain/(loss) on a sample basis.</li></ul>
<b>Key observations</b>	Based on the work performed we concluded that the revenue balance is appropriate.

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

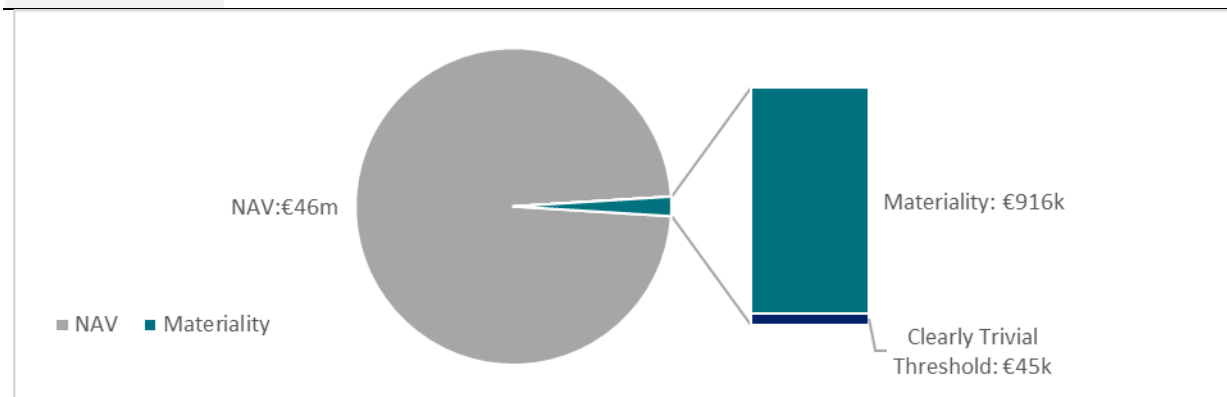
**Our application of materiality**

**Materiality**

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

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

<b>Materiality</b>	€916,000 (2020: €698,000)
<b>Basis for determining materiality</b>	2% of Net Asset Value (2020: 2% of Net Asset Value)
<b>Rationale for the benchmark applied</b>	Our materiality is based on the Net Asset Value of the Company, we considered this to be an appropriate benchmark as the Company's aim is to deliver attractive risk adjusted returns whilst seeking to preserve capital and therefore shareholder focus will be on the Net Asset Value of the Company which is driving the investment returns.



**Performance materiality**

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2021 audit (2020: 70%). In determining performance materiality, we considered the quality of the control environment, the impact of Covid19 on the operation of controls and whether we were able to rely on controls. We also considered that there was no history of misstatements in the prior period.

**Error reporting threshold**

We agreed with the Board of Directors that we would report to the Board all audit differences in excess of €45,800 (2020: €34,900), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board on disclosure matters that we identified when assessing the overall presentation of the financial statements.

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

**An overview of the scope of our audit**

**Scoping**

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

**Our consideration of the control environment**

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

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies and key drivers for directors' remuneration;
- results of our enquiries of management and the Board of Directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax and valuations specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud with regards to revenue recognition in relation to the completeness and accuracy of realised gain on disposal of investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies (Guernsey) Law, 2008, The International Stock Exchange Listing Rules and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.



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

**Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

**Audit response to risks identified**

As a result of performing the above, we identified revenue recognition in relation to the completeness and accuracy of realised gains on disposal of investments as key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Guernsey Financial Services Commission; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Report on other legal and regulatory requirements**

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

**Adequacy of explanations received and accounting records**

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

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

We have nothing to report in respect of these matters.

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

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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Stuart Crowley FCA  
For and on behalf of Deloitte LLP  
Recognised Auditor  
Guernsey  
4 August 2021

**CLEARANCE CAMINO FUND LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021**

	Notes	31 March 2021 €	31 March 2020 €
<b>CURRENT ASSETS</b>			
Investments held at fair value through profit or loss	3	45,375,126	33,792,350
Dividends receivable		93,991	84,758
Securities sold receivable		1,810,429	649,304
Other receivables and prepayments	5	13,700	8,522
Cash and cash equivalents	4	2,029,960	1,140,241
Capital shares receivable		-	695,075
<b>TOTAL ASSETS</b>		<b>49,323,206</b>	<b>36,370,250</b>
<b>CURRENT LIABILITIES</b>			
Capital shares payable		21,102	565
Securities purchased payable		1,366,622	870,319
Other payables and accrued expenses	6	2,094,463	586,564
<b>TOTAL LIABILITIES</b>		<b>3,482,187</b>	<b>1,457,448</b>
<b>EQUITY SHARE CAPITAL</b>	7	<b>45,841,019</b>	<b>34,912,802</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,323,206</b>	<b>36,370,250</b>
<b>Net asset value per Class A Euro Share</b>	7	€ <b>2.7113</b>	<b>2.1823</b>
<b>Net asset value per Class A Sterling Share</b>	7	£ <b>2.6552</b>	<b>2.2200</b>
<b>Net asset value per Euro Management Class Share</b>	7	€ <b>3.3171</b>	<b>2.5131</b>
<b>Net asset value per Class A US Dollar Share</b>	7	US\$ <b>1.3824</b>	<b>1.0404</b>
<b>Net asset value per Class B Sterling Share</b>	7	£ <b>1.2973</b>	<b>1.0799</b>
<b>Net asset value per Class B Euro Share</b>	7	€ <b>1.3408</b>	<b>1.0713</b>
<b>Net asset value per Class B US Dollar Share</b>	7	US\$ <b>1.3101</b>	<b>0.9773</b>
<b>Net asset value per Class C Sterling Share</b>	7	£ <b>1.3489</b>	<b>1.1198</b>
<b>Net asset value per Class C Euro Share</b>	7	€ <b>1.4303</b>	<b>1.1461</b>

The financial statements were approved and authorised for issue by the Board of Directors on the 4 August 2021 and were signed on its behalf by:


**Director: Simon Cox**

*(The notes on pages 25 to 40 form an integral part of these financial statements)*

# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 MARCH 2021

		1 April 2020 to 31 March 2021 €	1 April 2019 to 31 March 2020 €
<b>INCOME</b>			
Dividend income	2	1,061,515	1,137,122
Interest income	2	-	364
Net realised gain from investments	3	3,009,367	6,496,880
Movement in net unrealised gain/(loss) on investments	3	7,264,209	(6,907,076)
Foreign exchange gains	2	31,496	41,665
		<u>11,366,587</u>	<u>768,955</u>
<b>EXPENDITURE</b>			
Interest expense	2	14,507	5,020
Administration fee	10	56,293	57,389
Audit fee		10,401	23,166
Custodian fee	10	80,354	72,299
Depositary fee	10	24,673	25,198
Directors fees	10	36,112	55,743
Legal and Professional fees		13,700	8,531
Listing fee		6,058	8,204
Management fee	10	419,875	431,459
Performance fees	10	1,738,730	277,054
Regulatory fee		7,419	7,388
Research fees		18,049	19,293
Sundry expense		33,175	44,542
		<u>2,459,346</u>	<u>1,035,286</u>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR BEFORE TAX</b>		<u>8,907,241</u>	<u>(266,331)</u>
Withholding tax	12	207,477	198,662
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS)</b>		<u>8,699,764</u>	<u>(464,993)</u>
<b>Earnings Per Share - Class A Euro Shares</b>	€	0.5356	0.1304
Based on Weighted Average Number of shares:		2,240,161	3,005,363
<b>Earnings Per Share - Class A Sterling Shares</b>	£	0.4813	0.1273
Based on Weighted Average Number of shares:		1,285,398	1,755,377
<b>Earnings Per Share - Euro Management Class Shares</b>	€	0.8040	0.0995
Based on Weighted Average Number of shares:		50,001	77,957

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

*(The notes on pages 25 to 40 form an integral part of these financial statements)*

**CLEARANCE CAMINO FUND LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021**

		<b>1 April 2020 to 31 March 2021</b>	<b>1 April 2019 to 31 March 2020</b>
<b>Earnings Per Share - Class A US Dollar Shares</b>	US\$	0.3420	0.1507
Based on Weighted Average Number of shares:		267,410	596,856
<b>Earnings Per Share - Class B Sterling Shares</b>	£	0.2212	(0.0022)
Based on Weighted Average Number of shares:		8,306,019	8,556,989
<b>Earnings Per Share - Class B Euro Shares</b>	€	0.2617	(0.1589)
Based on Weighted Average Number of shares:		5,122,440	2,964,690
<b>Earnings Per Share - Class B US Dollar Shares</b>	US\$	0.3115	(0.2406)
Based on Weighted Average Number of shares:		4,416,066	1,927,433
<b>Earnings Per Share - Class C Sterling Shares</b>	£	0.2188	0.1282
Based on Weighted Average Number of shares:		589,725	1,103,007
<b>Earnings Per Share - Class C Euro Shares</b>	€	0.2872	(0.0017)
Based on Weighted Average Number of shares:		5,376,282	5,893,811

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

*(The notes on pages 25 to 40 form an integral part of these financial statements)*

# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 MARCH 2021

	SHARE CAPITAL ACCOUNT	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 April 2020	23,806,834	11,105,968	34,912,802
Shares issued	7,394,163	-	7,394,163
Shares redeemed	(5,165,710)	-	(5,165,710)
Profit for the year	-	8,699,764	8,699,764
Balance as at 31 March 2021	€ 26,035,287	19,805,732	45,841,019
<b>Class A Euro Shares*</b>			
Balance at 1 April 2020	43,036	5,011,425	5,054,461
Shares issued	288,485	-	288,485
Shares redeemed	(570,435)	-	(570,435)
Profit for the year	-	1,199,777	1,199,777
Balance as at 31 March 2021	€ (238,914)	6,211,202	5,972,288
<b>Class A Sterling Shares*</b>			
Balance at 1 April 2020	(1,295,849)	4,467,219	3,171,370
Shares issued	50,000	-	50,000
Shares redeemed	(1,002,386)	-	(1,002,386)
Profit for the year	-	727,801	727,801
Foreign exchange loss	-	(109,186)	(109,186)
Balance as at 31 March 2021	£ (2,248,235)	5,085,834	2,837,599
<b>Euro Management Class Shares*</b>			
	€	€	€
Balance at 1 April 2020	(76,157)	201,813	125,656
Profit for the year	-	40,200	40,200
Balance as at 31 March 2021	€ (76,157)	242,013	165,856
<b>Class A US Dollar Shares*</b>			
Balance at 1 April 2020	144,181	134,030	278,211
Profit for the year	-	71,051	71,051
Foreign exchange gain	-	20,401	20,401
Balance as at 31 March 2021	US\$ 144,181	225,482	369,663

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

(The notes on pages 25 to 40 form an integral part of these financial statements)

# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

	SHARE CAPITAL ACCOUNT	RETAINED EARNINGS	TOTAL EQUITY
<b>Class B Sterling Shares*</b>			
Balance at 1 April 2020	10,185,115	(458,472)	9,726,643
Shares issued	1,310,870	-	1,310,870
Shares redeemed	(1,793,308)	-	(1,793,308)
Profit for the year	-	2,284,893	2,284,893
Foreign exchange loss	-	(447,428)	(447,428)
Balance as at 31 March 2021	£ 9,702,677	1,378,993	11,081,670
<b>Class B Euro Shares*</b>			
Balance at 1 April 2020	4,823,679	(273,020)	4,550,659
Shares issued	2,860,074	-	2,860,074
Shares redeemed	(337,355)	-	(337,355)
Profit for the year	-	1,340,658	1,340,658
Balance as at 31 March 2021	€ 7,346,398	1,067,638	8,414,036
<b>Class B US Dollar Shares*</b>			
Balance at 1 April 2020	3,887,891	(367,757)	3,520,134
Shares issued	2,767,978	-	2,767,978
Shares redeemed	(593,702)	-	(593,702)
Profit for the year	-	1,111,292	1,111,292
Foreign exchange gain	-	264,215	264,215
Balance as at 31 March 2021	US\$ 6,062,167	1,007,750	7,069,917
<b>Class C Sterling Shares*</b>			
Balance at 1 April 2020	(35,241)	739,760	704,519
Shares issued	309,261	-	309,261
Shares redeemed	(204,695)	-	(204,695)
Profit for the year	-	164,152	164,152
Foreign exchange loss	-	(35,130)	(35,130)
Balance as at 31 March 2021	£ 69,325	868,782	938,107
<b>Class C Euro Shares*</b>			
Balance at 1 April 2020	5,571,330	777,427	6,348,757
Shares redeemed	(375,000)	-	(375,000)
Profit for the year	-	1,543,875	1,543,875
Balance as at 31 March 2021	€ 5,196,330	2,321,302	7,517,632

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

(The notes on pages 25 to 40 form an integral part of these financial statements)

# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

	SHARE CAPITAL ACCOUNT	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 April 2019	26,715,522	11,570,961	38,286,483
Shares issued	8,772,215	-	8,772,215
Shares redeemed	(11,680,903)	-	(11,680,903)
Loss for the year	-	(464,993)	(464,993)
Balance as at 31 March 2020	€ 23,806,834	11,105,968	34,912,802
<b>Class A Euro Shares*</b>			
Balance at 1 April 2019	2,393,123	4,619,428	7,012,551
Shares issued	296,593	-	296,593
Shares redeemed	(2,646,680)	-	(2,646,680)
Profit for the year	-	391,997	391,997
Balance as at 31 March 2020	€ 43,036	5,011,425	5,054,461
<b>Class A Sterling Shares*</b>			
Balance at 1 April 2019	-	4,243,690	4,243,690
Shares issued	103,881	-	103,881
Shares redeemed	(1,399,730)	-	(1,399,730)
Profit for the year	-	169,251	169,251
Foreign exchange gain	-	54,278	54,278
Balance as at 31 March 2020	£ (1,295,849)	4,467,219	3,171,370
<b>Euro Management Class Shares*</b>			
Balance at 1 April 2019	487,475	194,060	681,535
Shares redeemed	(563,632)	-	(563,632)
Profit for the year	-	7,753	7,753
Balance as at 31 March 2020	€ (76,157)	201,813	125,656
<b>Class A US Dollar Shares*</b>			
Balance at 1 April 2019	719,864	44,107	763,971
Shares issued	25,000	-	25,000
Shares redeemed	(600,683)	-	(600,683)
Profit for the year	-	110,118	110,118
Foreign exchange loss	-	(20,195)	(20,195)
Balance as at 31 March 2020	US\$ 144,181	134,030	278,211

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

(The notes on pages 25 to 40 form an integral part of these financial statements)



# CLEARANCE CAMINO FUND LIMITED

## STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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

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

(The notes on pages 25 to 40 form an integral part of these financial statements)

**CLEARANCE CAMINO FUND LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2021**

		<b>1 April 2020 to 31 March 2021</b>	<b>1 April 2019 to 31 March 2020</b>
	<b>Notes</b>	<b>€</b>	<b>€</b>
<b>Cash flows from operating activities</b>			
Profit/(Loss) for the year before tax		8,907,241	(266,331)
Net realised gain on investments during the year	3	(3,009,367)	(6,496,880)
Movement in net unrealised (gain)/loss on investments during the year	3	(7,264,209)	6,907,076
		<u>(1,366,335)</u>	<u>143,865</u>
<b>Net changes in operating assets and liabilities</b>			
(Increase)/decrease in dividends receivable		(9,233)	42,799
(Increase)/decrease in other receivables and prepayments		(5,178)	12,583
Increase/(decrease) in other payables and accrued expenses		1,507,899	(97,745)
Purchase of securities		(63,615,596)	(67,193,823)
Sale of securities		61,641,575	70,996,182
Tax paid		(207,477)	(198,662)
<b>Net cash flows (used in)/from operating activities</b>		<u>(2,054,345)</u>	<u>3,705,199</u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		6,665,133	8,077,140
Cost of shares redeemed		(3,721,069)	(11,680,338)
<b>Net cash flows from/(used) in financing activities</b>		<u>2,944,064</u>	<u>(3,603,198)</u>
Net increase in cash and cash equivalents		889,719	102,001
Cash and cash equivalents at the beginning of the year		1,140,241	1,038,240
<b>Cash and cash equivalents at the end of the year</b>		<u><u>2,029,960</u></u>	<u><u>1,140,241</u></u>

*(The notes on pages 25 to 40 form an integral part of these financial statements)*

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**1. OPERATIONS**

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting**

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

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

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

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

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

**Accounting Standards**

*New and amended accounting standards in issue that have been adopted:*

IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ (“IAS 8”) are effective for annual reporting periods beginning on or after 1 January 2020 in relation to the change in the definition of materiality. The amendments did not have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

Amendments made to IFRS 3 ‘Business Combinations’ (“IFRS 3”) are effective for annual reporting periods beginning on or after 1 January 2020 and aim to change the definition of a business. The amendments did not have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

Interest Rate Benchmark Reform - Phase 1 (Amendments made to IFRS 9 ‘Financial Instruments’ (“IFRS 9”), IAS 39 ‘Financial Instruments: Recognition and Measurement’ (“IAS 39”) and IFRS 7 ‘Financial Instruments: Disclosures’ (“IFRS 7”) are effective for annual reporting periods beginning on or after 1 January 2020. The amendments are a result of the Interest Rate Benchmark Reform. Phase 1 of the reform has been completed and amendments to IFRS 9 and IAS 39 in relation to hedge accounting should be applied retrospectively. The amendments did not have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

**Accounting Standards (continued)**

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

‘Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)’ addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted. The impact of the amendments on the Company is currently being assessed.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2020 that have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

**Foreign currency translation**

**a) Functional currency and presentation currency**

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

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

**b) Transactions and balances**

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

**c) Share series**

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

**Dividend income**

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

**Interest income and expense**

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

**Expenses**

Expenses are accounted for on an accruals basis

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

**Investments**

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

**Recognition and Measurement**

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

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

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

**Going Concern**

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

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

**Derivative financial instruments**

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

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

**Cash and cash equivalents**

Cash comprises current deposits with banks and prime brokers.

# CLEARANCE CAMINO FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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

Investments held at fair value through profit or loss	31 March 2021	31 March 2020
Cost brought forward	38,194,806	35,285,978
Additions	64,111,899	67,615,049
Disposals	(59,793,333)	(64,706,221)
Cost carried forward	42,513,372	38,194,806
Fair value adjustment	2,861,754	(4,402,456)
Fair value carried forward	45,375,126	33,792,350
<b>Net gains/(losses) from investments held at fair value through profit or loss</b>		
Proceeds from sale of investments during the year	62,802,700	71,203,102
Original cost of investments sold during the year	(59,793,333)	(64,706,222)
Net realised gains on investments during the year	3,009,367	6,496,880
Movement in unrealised gains/(losses) on investments during the year	7,264,209	(6,907,076)
Net gain/(losses) on investments during the year	€ 10,273,576	(410,196)

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

#### *Geographical & foreign currency analysis of investments*

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

	31 March 2021	31 March 2020
United Kingdom	12,415,330	8,379,817
Germany	12,073,133	9,450,512
Sweden	5,963,505	3,907,717
France	5,267,986	4,841,561
Belgium	5,029,109	918,436
Netherlands	1,611,381	2,120,209
Luxembourg	1,254,095	494,669
Switzerland	995,433	-
Finland	611,656	-
Spain	153,498	1,515,832
Norway	-	1,911,965
Ireland	-	251,632
€	45,375,126	33,792,350

# CLEARANCE CAMINO FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 4. CASH AND CASH EQUIVALENTS

	31 March 2021	31 March 2020
BNP Paribas	2,029,960	1,140,241
€	<u>2,029,960</u>	<u>1,140,241</u>

#### 5. OTHER RECEIVABLES AND PREPAYMENTS

	31 March 2021	31 March 2020
Sundry receivables	13,700	8,522
€	<u>13,700</u>	<u>8,522</u>

#### 6. OTHER PAYABLES AND ACCRUED EXPENSES

	31 March 2021	31 March 2020
Administration fees (Note 10)	5,326	23,669
Audit fees	14,555	23,666
Custodian & Depositary fees (Note 10)	14,790	14,297
Directors' fees	18,356	5,983
Management fees (Note 10)	147,360	145,040
Performance fees (Note 10)	1,855,904	340,945
Sundry expenses accrued	38,172	32,964
€	<u>2,094,463</u>	<u>586,564</u>

#### 7. SHARE CAPITAL

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

##### *Shareholders' equity as at 31 March 2021*

Share series	No of shares		Net asset value per share	Fx rate	Net assets
Class A Euro Shares	2,202,714	€	2.7113	1.0000	5,972,288
Class A Sterling Shares	1,068,691	£	2.6552	1.1739	3,331,094
Euro Management Class Shares	50,001	€	3.3171	1.0000	165,856
Class A US Dollar Shares	267,410	US\$	1.3824	0.8508	314,526
Class B Sterling Shares	8,541,932	£	1.2973	1.1739	13,008,917
Class B Euro Shares	6,275,511	€	1.3408	1.0000	8,414,036
Class B US Dollar Shares	5,396,287	US\$	1.3101	0.8508	6,015,414
Class C Sterling Shares	695,455	£	1.3489	1.1739	1,101,256
Class C Euro Shares	<u>5,255,962</u>	€	1.4303	1.0000	<u>7,517,632</u>
Total	<u>29,753,963</u>			€	<u>45,841,019</u>

# CLEARANCE CAMINO FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 7. SHARE CAPITAL (CONTINUED)

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

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

The movement in the number of shares is as follows:

Share series as at 31 March 2021	Opening Shares	Subscriptions	Redemptions	Closing Shares
Class A Euro Shares	2,316,080	115,449	(228,815)	2,202,714
Class A Sterling Shares	1,428,568	22,504	(382,381)	1,068,691
Euro Management Class Shares	50,001	-	-	50,001
Class A US Dollar Shares	267,410	-	-	267,410
Class B Sterling Shares	9,006,604	1,019,018	(1,483,690)	8,541,932
Class B Euro Shares	4,247,636	2,311,325	(283,450)	6,275,511
Class B US Dollar Shares	3,602,039	2,308,142	(513,894)	5,396,287
Class C Sterling Shares	629,146	233,794	(167,485)	695,455
Class C Euro Shares	5,539,309	-	(283,347)	5,255,962
Share series as at 31 March 2020	Opening Shares	Subscriptions	Redemptions	Closing Shares
Class A Euro Shares	3,138,449	113,890	(936,259)	2,316,080
Class A Sterling Shares	1,910,286	38,984	(520,702)	1,428,568
Euro Management Class Shares	266,685	-	(216,684)	50,001
Class A US Dollar Shares	700,938	19,235	(452,763)	267,410
Class B Sterling Shares	8,865,058	1,971,806	(1,830,260)	9,006,604
Class B Euro Shares	2,869,938	2,011,692	(633,994)	4,247,636
Class B US Dollar Shares	971,085	2,769,714	(138,760)	3,602,039
Class C Sterling Shares	1,876,535	103,605	(1,350,994)	629,146
Class C Euro Shares	6,318,716	-	(779,407)	5,539,309



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

**FOR THE YEAR ENDED 31 MARCH 2021**

**7. SHARE CAPITAL (CONTINUED)**

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

*Subscriptions*

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

*Redemptions*

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

*Winding-up*

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

**8. SHARE PREMIUM**

	<b>1 April 2020 to 31 March 2021</b>	<b>1 April 2019 to 31 March 2020</b>
Opening balance	23,806,834	26,715,522
Shares issued	7,394,163	8,772,215
Shares redeemed	(5,165,710)	(11,680,903)
Closing balance	€ <u>26,035,287</u>	<u>23,806,834</u>

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

**9. CAPITAL MANAGEMENT**

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****9. CAPITAL MANAGEMENT (CONTINUED)**

Capital management activities for the year ended 31 March 2021 included subscriptions of €7,394,163 (31 March 2020: €8,772,215) and redemptions of €5,165,710 (31 March 2020: €11,680,903). The Company has the ability to suspend redemption requests and is not subject to externally imposed capital requirements.

The Company's objectives for managing capital are:

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

**10. MANAGEMENT, PERFORMANCE, ADMINISTRATION, CUSTODIAN, DIRECTORS FEES AND DEPOSITARY FEES****(a) Management and Performance fees****(i) Management fees**

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

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

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

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

No Management Fee will be levied on the Euro Management class. Management fees totalled €419,875 (31 March 2020: €431,459) for the year, €147,360 (31 March 2020: €145,040) of management fees were payable to the Investment Manager at the year end.

**(ii) Performance fees**

In addition, the Investment Manager was entitled to receive a performance fee of 15 per cent of gains above the Benchmark Return for Euro, Sterling and US Dollar equity shares.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****10. MANAGEMENT, PERFORMANCE, ADMINISTRATION, CUSTODIAN, DIRECTORS FEES AND DEPOSITARY FEES (CONTINUED)****(ii) Performance fees (continued)**

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

Performance fees amounted to €1,738,730 (31 March 2020: €277,054) for the year. €1,855,904 (31 March 2020: €340,945) of performance fees were payable to the Investment Manager at the year end.

**(b) Administration fees**

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

Included in other payables and accrued expenses is €5,326 (31 March 2020: €23,669) in respect of administration fees outstanding at the year end. The administration fee charged to the statement of comprehensive income is €56,293 (31 March 2020: €57,389).

**(c) Custodian fees**

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

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

Included in other payables and accrued expenses is €12,638 (31 March 2020: €12,126) in respect of custodian fees outstanding at the year end. The custodian fee charged to the statement of comprehensive income is €80,354 (31 March 2020: €72,299).

**(d) Directors' fees**

Directors' fees during the year amounted to €36,112 (31 March 2020: €55,743).

**(e) Depositary fees**

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

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

**(e) Depositary fees (continued)**

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

Included in other payables and accrued expenses is €2,152 (31 March 2020: €2,171) in respect of depositary fees outstanding at the year end. The depositary fee charged to the statement of comprehensive income is €24,673 (31 March 2020: €25,198).

**11. RELATED PARTIES**

Clearance Capital Limited

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

**12. TAXATION**

The Company is exempt from Guernsey taxation under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 for which it pays an annual fee which is currently £1,200. It should be noted, however, that interest and dividend income accruing from the Company's investments may be subject to withholding tax in the country of origin. The Company has suffered withholding tax of €207,477 in the year (31 March 2020: €198,662).

**13. ULTIMATE CONTROLLING PARTY**

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

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

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

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

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

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

**Risk management structure**

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

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

**Credit risk**

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

Cash and cash equivalents are held with BNP Paribas Securities Services SCA, Guernsey Branch. There is a potential credit risk on these cash balances and the amounts are disclosed in note 4. As at 31 March 2021, Standard & Poors rating agency has assigned BNP Paribas Securities Services SCA, Guernsey Branch a long term credit rating of A+ (31 March 2020: A+).

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

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The nature of the Company is that it holds a relatively large amount of cash and trades in listed instruments. The Company operates weekly dealing and trades in sufficiently liquid investments to meet any redemption requests from investors. The Company also has the ability to suspend redemption requests where necessary. Shares will be redeemable at the option of the Shareholder weekly (or such other or additional days as the Directors may determine and notify to the Shareholders) in each year. The Directors are of the opinion that the Company is minimally exposed to liquidity risk.

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

**Liquidity risk (continued)**

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

<b>Financial Liabilities:</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
1-3 months	3,429,460	1,400,818
3-6 months	52,727	56,630
	€ 3,482,187	1,457,448

**Country risk**

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

**Currency risk**

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

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

<b>Assets</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	€	€
Euro	27,378,223	19,823,633
Sterling	13,280,827	9,602,678
Swiss Franc	996,494	143
Swedish Krona	7,222,182	4,562,518
Norwegian Krone	1,193	1,919,025
US Dollar	444,287	462,253
<b>Liabilities</b>		
Euro	(3,066,461)	(800,218)
Sterling	-	(565)
Swedish Krona	(415,726)	(656,665)

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

**Currency risk (continued)**

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

	Change in FX rate	Effect on profit/equity 31 March 2021	Effect on profit/equity 31 March 2020
		€	€
EUR/GBP	+10%	1,328,083	960,211
EUR/GBP	-10%	(1,328,083)	(960,211)
EUR/SEK	+10%	680,646	390,585
EUR/SEK	-10%	(680,646)	(390,585)
EUR/NOK	+10%	119	191,902
EUR/NOK	-10%	(119)	(191,902)
EUR/CHF	+10%	99,649	14
EUR/CHF	-10%	(99,649)	(14)
EUR/USD	+10%	44,429	46,225
EUR/USD	-10%	(44,429)	(46,225)

**Interest rate risk**

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

Financial Assets:	Interest Charging Basis	31 March 2021	31 March 2020
Trading securities held long	Non-interest bearing	45,375,126	33,792,350
Capital shares receivable	Non-interest bearing	-	695,075
Cash and cash equivalents	Floating	2,029,960	1,140,241
Dividends receivable	Non-interest bearing	93,991	84,758
Securities sold receivable	Non-interest bearing	1,810,429	649,304
Other receivables and prepayments	Non-interest bearing	13,700	8,522
		€ 49,323,206	36,370,250
<b>Financial Liabilities:</b>			
Other payables and accrued expenses	Non-interest bearing	(3,482,187)	(1,457,448)
		€ (3,482,187)	(1,457,448)

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

**Fair Value Measurement Risk**

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

The following table summarises the valuation of the Company's investments by the IFRS fair value hierarchy as at 31 March 2021 and 31 March 2020:

		<b>31 March 2021</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Trading securities held long		45,375,126	-	-	45,375,126
€		45,375,126	-	-	45,375,126
		<b>31 March 2020</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Trading securities held long		33,792,350	-	-	33,792,350
€		33,792,350	-	-	33,792,350

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

**Market risk**

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

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

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



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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

**Market risk (continued)**

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

	Change in market price	31 March 2021 €	31 March 2020 €
Investments held at fair value through profit or loss			
Effect on net assets/comprehensive income	+10%	4,537,513	3,379,235

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

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

**15. EXCHANGE RATES**

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

	31 March 2021	31 March 2020
British Pound	0.8519	0.8951
Norwegian Krone	10.0328	11.5222
South African Rand	17.2067	19.5969
Swedish Krona	10.2443	10.8712
Swiss Franc	1.1061	1.0616
US Dollar	1.1753	1.0973

**16. SIGNIFICANT EVENTS DURING THE YEAR**

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

The presentation of these Financial Statements has not been impacted by COVID-19.

The Directors note the developing situation regarding the COVID-19 pandemic and will continue to monitor the impact of the pandemic on the Company's performance. Since 31 March 2021, there have been no significant negative movements in net asset value or significant redemptions from the Fund.

There have been no other significant events during the year.

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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

Wessel Hamman and Charl Cloete resigned as directors on 5 May 2021. Patrick Bushnell was appointed as director on the same date.

There have been no other events since the year end date, which, in the opinion of the Directors of the Company may have an impact on the financial statements for the year ended 31 March 2021.

# CLEARANCE CAMINO FUND LIMITED

## PORTFOLIO STATEMENT AS AT 31 MARCH 2021 (UNAUDITED)

Security ID	Security Description	Currency	Quantity	Cost	Cost €	Market Value	Market Value €	% of Total	Listing
<b>Investment held at fair value through profit or loss</b>									
LU1250154413	ADLER Group SA	EUR	16,763	383,182	383,182	392,589	391,584	0.85%	Frankfurt
FR0010481960	Argan	EUR	4,985	358,380	358,380	400,296	400,794	0.87%	Paris
LU1673108939	Aroundtown SA	EUR	142,094	697,988	697,988	864,074	862,511	1.88%	Frankfurt
BE0003678894	Befimmo SA	EUR	16,936	583,784	583,784	588,949	588,526	1.28%	Brussels
BE0974273055	Care Property Investment	EUR	63,361	1,624,068	1,624,068	1,558,681	1,558,681	3.40%	Brussel
SE0001664707	Catena AB	SEK	22,035	8,651,628	852,570	8,483,475	828,119	1.81%	Stockholm
SE0010832204	Cibus Nordic Real Estate AB	SEK	134,134	19,797,883	1,878,739	22,038,216	2,147,345	4.68%	Stockholm
GB00BF044593	CLS Holdings	GBP	289,084	799,254	943,146	662,725	777,133	1.70%	London
BE0003593044	Cofinimmo SA	EUR	15,569	1,883,849	1,883,849	1,935,227	1,933,670	4.22%	Brussels
FR0000064578	Covivio	EUR	17,953	1,222,718	1,222,718	1,311,018	1,310,569	2.86%	Paris
DE000A0HN5C6	Deutsche Wohnen	EUR	70,103	2,650,265	2,650,265	2,793,955	2,788,697	6.08%	Frankfurt
FR0010040865	Gecina	EUR	9,719	1,188,839	1,188,839	1,141,497	1,141,011	2.49%	Paris
GB00B04V1276	Grainger Plc	GBP	149,951	411,467	475,478	400,819	469,647	1.02%	London
FR0000035081	Icade	EUR	6,619	408,817	408,817	413,026	412,695	0.90%	Paris
FR0000121964	Klepierre	EUR	64,510	1,083,764	1,083,764	1,284,878	1,282,781	2.80%	Paris
FI4000312251	Kojamo Oyj	EUR	36,670	651,057	651,057	610,556	611,656	1.33%	Helsinki
SE0000549412	Kungsleden	SEK	120,809	9,565,704	911,072	11,020,801	1,076,096	2.35%	Stockholm
GB00BYW0PQ60	Land Securities Group	GBP	351,173	2,274,275	2,542,285	2,423,972	2,844,913	6.21%	London
DE000LEG1110	LEG Immobilien REIT	EUR	42,252	4,792,754	4,792,754	4,744,477	4,738,982	10.34%	Frankfurt
GB00B4WFW713	LondonMetric Property Plc	GBP	145,939	323,420	359,183	311,872	365,939	0.80%	London
GB00BYQ46T41	LXI REIT Plc	GBP	993,451	1,236,876	1,444,559	1,250,755	1,469,444	3.21%	London
FR0010241638	Mercialys SA	EUR	76,651	467,225	467,225	719,753	720,136	1.57%	Paris
ES0105025003	Merlin Properties Socimi SA	EUR	17,603	135,003	135,003	153,542	153,498	0.33%	Madrid
NL0012365084	NSI NV	EUR	47,674	1,810,700	1,810,700	1,611,381	1,611,381	3.52%	Amsterdam
SE0011426428	Nyfosa AB	SEK	170,336	13,975,542	1,375,179	15,300,431	1,493,144	3.26%	Stockholm
CH0018294154	PSP Swiss Property	CHF	9,558	1,091,524	1,002,619	1,101,560	995,433	2.17%	Zurich

**PORTFOLIO STATEMENT AS AT 31 MARCH 2021 (UNAUDITED) (CONTINUED)**42

# CLEARANCE CAMINO FUND LIMITED

## SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED)\* FOR THE YEAR ENDED 31 MARCH 2021

<b>Purchases</b>		
<b>Description</b>	<b>Quantity</b>	<b>Cost</b>
		€
LEG Immobilien REIT	57,645	6,506,941
Land Securities Group	560,573	3,997,566
Vonovia SE	47,406	2,468,761
Care Property Investment	93,343	2,442,384
Klepierre	161,119	2,434,267
Aedifica SA	27,267	2,357,770
Cofinimmo SA	19,633	2,357,338
Nyfosa AB	241,368	1,908,693
PSP Swiss Property	18,121	1,884,014
Segro Plc	159,903	1,658,634
Deutsche Wohnen	39,491	1,643,503
Warehouse Reit Plc	1,315,750	1,609,447
British Land Company Plc	378,830	1,537,376
Catellum AB	85,763	1,451,850
LXI REIT Plc	993,451	1,444,559
Entra	113,719	1,356,084
Unibail-Rodamco	25,649	1,307,054
Grand City Properties SA	64,474	1,306,912
Unite Group	118,815	1,238,533
Kojamo Oyj	69,511	1,226,383

<b>Sales</b>		
<b>Description</b>	<b>Quantity</b>	<b>Proceeds</b>
		€
TAG Immobilien AG	243,322	5,771,718
Entra	291,381	4,027,594
Aedifica SA	27,267	2,641,042
Klepierre	138,324	2,184,257
Vonovia SE	38,924	2,159,953
Argan	23,918	2,024,963
LEG Immobilien REIT	16,316	1,880,762
Gecina	15,733	1,859,116
Warehouse Reit Plc	1,315,750	1,785,581
British Land Company Plc	378,830	1,756,686
Platzer Fastigheter Holding AB	204,021	1,684,749
Kungsleden	192,585	1,516,595
Catellum AB	85,763	1,502,925
Cofinimmo SA	11,769	1,445,868
Land Securities Group	209,400	1,388,092
Target Healthcare REIT Plc	1,113,005	1,326,245
Grand City Properties SA	64,474	1,321,274
VIB Vermoegen AG	45,455	1,283,912
Primary Health Properties Plc	689,999	1,227,152
Unibail-Rodamco	25,649	1,107,314

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