GREENWAY INFRASTRUCTURE FUND

Condensed Interim Financial Statements (Unaudited)

For the six months ended 30 June 2022

Contents

	Page
General Information	2
Investment Advisor Review	3
Condensed Statement of Comprehensive Income	5
Condensed Statement of Changes in Unitholders' Funds	6
Condensed Statement of Financial Position	7
Condensed Statement of Cash Flows	8
Notes to the Condensed Interim Financial Statements	9

General Information

Manager and Registrar

Intertrust Fund Services (Jersey) Limited*
44 Esplanade
St Helier, Jersey
Channel Islands
JE4 9WG

Trustee

BNP Paribas Jersey Trust Corporation Limited*
(up to 19 September 2022)
IFC1,The Esplanade
St Helier, Jersey
Channel Islands
JE1 5BP

Zedra Jersey Trust Corporation Limited*
(from 20 September 2022)
50 La Colomberie
St Helier, Jersey
Channel Islands
JE2 4QB

Investment Advisors

Commerzbank AG, London Branch
30 Gresham Street
London
EC2P 2XY

Mizuho International Plc
30 Old Bailey
London
EC4M 7AU

Custodian and Administrator

BNP Paribas S.A, Jersey Branch*
IFC1, The Esplanade
St Helier, Jersey
Channel Islands
JE1 4BP

Independent Auditor

KPMG Channel Islands Limited
37 Esplanade
St Helier, Jersey
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JE4 8WQ

*Regulated by the Jersey Financial Services Commission.

Investment Advisor Review

Background

The Greenway Infrastructure Fund (the "Fund") was established in November 2006 to invest on a leveraged basis in a portfolio of secured and cash investments. All loan investments are GBP denominated and comprise either Category 1 assets: project finance assets benefiting from a AAA-rated insurer or an availability-based payment regime in sectors including but not limited to hospitals, prisons, schools, government office accommodation, highway infrastructure services and design-build-finance-operate roads; or Category 2 assets projects with a non-availability-based payment regime, other infrastructure scheme or regulated utility in sectors including, but not limited to: design-build-finance-operate roads, toll roads/bridges/tunnels, airports and ferries. Category 2 assets cannot form more than 30% of the investment portfolio's total value. All eligible projects require the underlying obligor to construct, operate and/or maintain assets with a view to providing an essential service to a public sector entity or to the public.

The portfolio of projects as of 30 June 2022 is unchanged compared to the portfolio in June 2021, comprising thirteen Private Finance Initiative ("PFI") transactions. The Category 1 PFI assets are: five hospitals; four schools (see below re. ByLewisham being split as two transaction assets); one highway infrastructure service project; one police station project; and one government accommodation project. There are no Category 2 assets in the portfolio – all have been sold or have pre/repaid.

The majority of assets were committed at the first closing date and were transferred into the Fund on the next interest rollover date, the latest being in March 2007. Between the initial closing and January 2009 four further investments were made: Series 21 ALC and Series 22 MOTO were committed in January 2007 and were transferred into the Fund in March 2007, Series 23 ByLewisham was committed and transferred into the Fund in July 2008 and in January 2009 a second investment in ByLewisham was made, forming Series 24. Subsequently, in March 2011 series 15 MOTO and 22 MOTO prepaid and in February 2015, Series 2 also fully prepaid. In April 2017 Series 9, M6 was sold and in May 2018 Series 8, MIOM was sold. The funds repaid the respective funding notes and were otherwise used to undertake a capital redemption.

Series 19 Premier Custodial prepaid in full in June 2016. Series 3 (CVS Leasing and CAE Aircrew Training Services plc) also repaid (as scheduled) in full in October 2016. Series 21 ALC, repaid in January 2021, two months prior to scheduled maturity.

No assets have been acquired since 2009.

Underlying Asset Performance

The availability-based payment regimes of the Category 1 assets shield the portfolio substantially from consumer demand trends i.e., if the asset is available, then payment must be made by quasi-governmental entities. Therefore, these transactions are not significantly at risk from economic downturn. This can be highlighted by the COVID-19 pandemic where the United Kingdom ("UK") and global economy suffered from a severe downturn. The project assets being both under availability payment regime and essential public services (implicitly backstopped by the UK Government) or central government projects (effectively guaranteed by the UK Government) meant that they were performance-protected. Debt was serviced without issue throughout the period.

In 2022, the global economy suffered another shock in the form of the Ukraine-Russia war which has led to inflationary pressure and the fears of a global recession. The portfolio is shielded from this by the availability payments being inflation linked and again the fact that they form part of essential public services. However, the Investment Advisors will continue to monitor the situation.

Other historical issues with individual assets are described below in (i) to (iii) below:

(i) In 2018, the Carillion Group entered liquidation and in 2019 Interserve Plc entered administration. Entities within the Carillion and Interserve groups were providing facility management ("FM") services to the projects and therefore the debt on some of the assets within the portfolio was technically affected (Carillion: Series 13, Series 4, Series 6 and Series 5; and Interserve Plc: Series 14). In order to protect against losses, lenders reserved all their rights and the process of replacing contractors for the affected transactions was robust. The projects continued to perform such that the debt was serviced in-line with previous periods and facility management companies such as Bouygues and Sodexo have provided interim services whilst permanent contracts were negotiated. Outstanding claims brought by the service recipients against Carillion were settled which removes any perceived future cash flow uncertainty for the projects affected. There is no expectation of any further issues arising.

(ii) In addition to the FM service provider credit events, the Grenfell Tower tragedy has meant that many of the projects are re-assessing the fire safety aspects of the buildings they own. This identified an issue for Series 6, The Hospital Company (Oxford John Radcliffe), where investigation has led to the conclusion that the cladding on

Investment Advisor Review (continued)

the building needs replacing and the associated costs would be c. £26m. As a significant cost to the project, there was a need to be funded by a cash injection and the sponsors have now put this in place in the form of a subordinated loan. However, the uncertainty over potential cost overruns has meant that the Investment Advisors have decided to mark down the asset by 150bps until the works are completed or the Investment Advisors feel that any financial risk to the project has proven to be have been adequately resolved. Debt has continued to be serviced throughout 2021/2 without issue.

(i) For Series 5, Renfrewshire Schools, the council had brought a claim of c. £22m against the project for failure to remedy service points which was subsequently been rejected by an independent adjudicator (QC). The Investment Advisors did not view this claim as a material risk to the project and therefore chose not to impair the asset through 2020. Indeed, the Investment Advisors strongly believed that the claim would be settled outside of court in an amount that would not affect the financial performance of the project. This was subsequently confirmed in November 2020 when a settlement amount of £426k was agreed upon and this has been concluded upon in 2021. There was therefore no detrimental impact on the project co or lenders' debt position.

Other

As all the assets in the portfolio reference Sterling London Inter-Bank Offered Rate ("LIBOR") and this is discontinued from 1 January 2022, the Investment Advisors have worked through the various amendments that are required to the documentation of each underlying loan. All amendments have been completed and any assets that have not yet transitioned (still referencing synthetic LIBOR) will do so before year end 2022. On 30 June 2021, the Variable Funding Note of the Fund was amended to take into account the transition of the assets to Sterling Overnight Index Average ("SONIA").

Overall Fund Performance

In July 2021, the Fund paid a dividend to Unitholders for the period 1 January 2021 to 30 June 2021, in an amount of GBP 158,398. During the period, in January 2022, the Fund paid a further dividend to Unitholders for the period 1 July 2021 to 31 December 2021, in an amount of GBP 69,599.

As at 30 June 2022, the Unit price of the Fund, for Unitholder dealing purposes, was (pre-dividend) £37.64. This price reflects the fair value methodology utilised by the Fund.

During this period, no Unitholder capital redemptions were undertaken, in order to restore the appropriate leverage ratio in the Fund accounts.

There is no current expectation that the Category 1 assets of the Fund will be traded, so the fair values calculated are relevant mainly as an indicator of the trend in market values.

Overall, the performance of the Fund is in line with the expectations of the Investment Advisors.

Commerzbank AG (London Branch)
Investment Advisor

Condensed Statement of Comprehensive Income

	Notes	Six months to 30 June 2022 (Unaudited) £	Six months to 30 June 2021 (Unaudited) £
Net (losses)/gains on Secured Investments	3	(709,788)	849,054
Interest income from Secured Investments		918,605	612,528
Break and commitment fee income		12,320	4,461
Bank interest income		14,342	-
Net investment gains		**235,479**	**1,466,043**
Expenses	4	(334,717)	(308,805)
Net (loss)/profit from operations before finance costs		**(99,238)**	**1,157,238**
Interest expense	5	(434,522)	(141,824)
Net (loss)/profit for the period		**(533,760)**	**1,015,414**
Other comprehensive income		-	-
Total comprehensive (loss)/income for the period		**(533,760)**	**1,015,414**
Basic and diluted (loss)/earnings per Unit	12	(£2.22)	£4.23

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued during the period.

The notes on pages 9 to 20 are an integral part of these condensed financial statements.

Condensed Statement of Changes in Unitholders' Funds

Six months to 30 June 2022 (Unaudited)	Note	**Units** £	**Retained deficit** £	**Total Unitholders' funds** £
Balance at 1 January 2022		24,017,710	(11,376,059)	12,641,651
Total comprehensive loss for the period		-	(533,760)	(533,760)
Distributions paid	9	-	(69,599)	(69,599)
Balance at 30 June 2022		**24,017,710**	**(11,979,418)**	**12,038,292**

Six months to 30 June 2021 (Unaudited)	Note	**Units** £	**Retained deficit** £	**Total Unitholders' funds** £
Balance at 1 January 2021		24,017,710	(12,499,335)	11,518,375
Total comprehensive income for the period		-	1,015,414	1,015,414
Distributions paid		-	(203,997)	(203,997)
Balance at 30 June 2021		**24,017,710**	**(11,687,918)**	**12,329,792**

The notes on pages 9 to 20 are an integral part of these condensed financial statements.

Condensed Statement of Financial Position

	Notes	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Non-current assets			
Secured Investments	6/7	104,289,120	108,473,926
Total non-current assets		**104,289,120**	**108,473,926**
Current assets			
Interest and other receivables	8	1,490,780	1,147,483
Cash and cash equivalents		7,908,840	7,811,798
Total current assets		**9,399,620**	**8,959,281**
Total assets		**113,688,740**	**117,433,207**
Equity and liabilities			
Equity			
Units in issue	9	24,017,710	24,017,710
Retained deficit		(11,979,418)	(11,376,059)
Total equity		**12,038,292**	**12,641,651**
Non-current liabilities			
Financial liabilities at amortised cost	10	97,469,840	100,885,481
Current liabilities			
Financial liabilities at amortised cost	10	3,415,000	3,420,000
Interest and other payables	11	765,608	486,075
Total liabilities		**101,650,448**	**104,791,556**
Total equity and liabilities		**113,688,740**	**117,433,207**
Net asset value per Unit	12	£50.16	£52.67

The condensed financial statements on pages 5 to 20 were approved and authorised for issue by the Trustee of Greenway Infrastructure Fund and signed on its behalf by:

………………………………… …………………………………
Zedra Jersey Trust Corporation Limited

Date: 16/12/2022

The notes on pages 9 to 20 are an integral part of these condensed financial statements.

Condensed Statement of Cash Flows

	Six months to 30 June 2022 (Unaudited) £	Six months to 30 June 2021 (Unaudited) £
Cash flows from operating activities		
Interest received	681,008	671,222
Operating expenses paid	(508,820)	(331,528)
Proceeds from redemption of Secured Investments	3,414,453	3,900,397
Net cash from operating activities	**3,586,641**	**4,240,091**
Cash flows from financing activities		
Interest paid	-	(161,167)
Payments on redemption of redeemable shares	(3,420,000)	(3,421,000)
Dividends paid to holders of redeemable shares	(69,599)	(203,997)
Net cash from financing activities	**(3,489,599)**	**(3,786,164)**
Net increase in cash and cash equivalents	97,042	453,927
Cash and cash equivalents at the beginning of the period	7,811,798	7,932,644
Cash and cash equivalents at the end of the period	**7,908,840**	**8,386,571**

The notes on pages 9 to 20 are an integral part of these condensed financial statements.

Notes to the Condensed Interim Financial Statements

1. General information
The Fund was established under the laws of Jersey on 22 November 2006. It is a Jersey unit trust in respect of which a permit has been granted under the Collective Investment Funds (Jersey) Law, 1988 to operate as an unclassified fund. The Fund is listed on The International Stock Exchange ("TISE").

2. Accounting policies: basis of preparation
The Condensed Interim Financial Statements for the period ended 30 June 2022 have been prepared in accordance with International Accounting Standards 34 - 'Interim Financial Reporting' ("IAS 34"). They have also been prepared using the same accounting policies applied for the financial statements for the year ended 31 December 2021, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). No new standards or interpretations have been adopted by the Fund during the period.

The Fund has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective.

During the six months ended 30 June 2022, there have been ongoing changes in the basis for determining the contractual cash flows of the Secured Investments and Variable Funding Notes ("VFNs"). As all the assets in the portfolio reference Sterling LIBOR, which was discontinued on 1 January 2022, the Investment Advisors have worked through the various amendments that are required to the documentation of each underlying loan. All amendments have been completed and any assets that have not yet transitioned (still referencing synthetic LIBOR) will do so before year end 2022. On 30 June 2021, the Variable Funding Note of the Fund was amended to take into account the transition of the assets to SONIA. Refer to note 10 for detail of amendments made to the VFN deed of amendment, reflecting the transition away from LIBOR to SONIA.

2.1 Going concern
The Manager has considered the Fund's investment objective, investment policy and capital management policies, its assets and the expected income from its Secured Investments, which fall under availability-based payment regimes i.e. if the underlying asset is available to use, then payments have to be made and hence the project continues to perform and debt is serviced, while factoring in the current economic conditions caused by the COVID-19 pandemic and the Ukraine conflict as discussed in the Investment Review on page 3.

During February and March 2022, the European Union, United States and United Kingdom placed sanctions on certain Russian companies and persons in retaliation of the Russian invasion of Ukraine on 24 February 2022. The invasion of Ukraine by Russia has had far reaching implications for the global economy and caused financial volatility. The Manager continues to monitor the situation as it evolves. The Fund has no direct exposure to Russia or Ukraine or to imposed sanctions and the portfolio of assets is shielded from an economic downturn by falling under availability-based payment regimes as explained in the Investment Review on page 3.

The Manager is of the opinion that the Fund is able to meet its liabilities and ongoing expenses as they fall due and the Manager has a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis because the Investment Advisors expect that the future proceeds from the investments will be sufficient to redeem the VFN outstanding and repay all the other liabilities. As such, the Trustee is of the opinion that the going concern basis of preparation is appropriate.

2.2 Segment reporting
Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Commerzbank AG and Mizuho International Plc (the "Investment Advisors") who make strategic decisions regarding the investments of the Fund.

The Fund has determined the operating segments based on the reports reviewed by the Investment Advisors, which are used to make strategic decisions.

Notes to the Condensed Interim Financial Statements (continued)

2. Accounting policies: basis of preparation (continued)
2.2 Segmental reporting (continued)
The Investment Advisors are responsible for the Fund's entire portfolio and consider the business to have a single operating segment. The Investment Advisors' asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The internal reporting provided to the Investment Advisors for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS. The Fund invests in the United Kingdom, which is also the source of all of its investment income.

There were no changes in the reportable segments during the period.

2.3 Financial instruments
(i) Classification
The Fund has designated all Secured Investments as financial assets at fair value through profit or loss.

Financial assets that are measured as amortised cost include interest and other receivables, and cash and cash equivalents.

Financial liabilities that are measured at amortised cost include the VFN, accrued interest and other payables.

(ii) Recognition of financial assets and liabilities
The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the Secured Investments are recorded.

(iii) Measurement
Financial instruments at fair value through profit or loss consist of Secured Investments and are measured initially at fair value based on the transaction price. Transaction costs on Secured Investments are recognised immediately in the Condensed Statement of Comprehensive Income. Other financial assets or liabilities are measured at amortised cost including transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Subsequent to initial recognition, all instruments classified at fair value through profit or loss, are measured at fair value with changes in their fair value recognised in the Condensed Statement of Comprehensive Income. Other financial assets or liabilities are subsequently measured at amortised cost.

(iv) Fair value measurement principles
The fair value of financial instruments is based upon the Investment Advisors' best estimate, using financial modelling techniques, of the amount that would be received from an immediate transfer at arm's length, at the Condensed Statement of Financial Position date, without any deduction for estimated selling costs. The fair value is determined by reference to the current fair value of the underlying investments held by the Note Issuer, Greenway Infrastructure Capital plc ("GIC"), which in turn are valued using a discounted cash flow ("DCF") model. The key inputs to the model are market interest rates, credit risk from the underlying projects and estimated cash flows. As part of the DCF valuation process employed by the Investment Advisors, an appropriate discount factor has been estimated through the observation of comparable deal structures and the estimation of realistic margins where equivalent transactions would issue in a normal performing financial market.

(v) Impairment
The Fund recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The Fund measures loss allowances at an amount equal to 12 months expected credit losses. 12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(vi) Derecognition of financial assets and liabilities
A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired or it transfers substantially all the risks and rewards of ownership. A financial liability is derecognised when its contractual obligations are discharged, cancelled or expire.

Notes to the Condensed Interim Financial Statements (continued)

3. Net (losses)/gains on Secured Investments

	Six months to 30 June 2022 (Unaudited) £	Six months to 30 June 2021 (Unaudited) £
Realised gains on Secured Investments	3,610	-
Unrealised (losses)/gains on Secured Investments	(713,398)	849,054
Net (losses)/gains on Secured Investments	**(709,788)**	**849,054**

The net losses/gains presented above exclude interest income and interest expense. The valuation of the Secured Investments as at 30 June 2022 has been derived by the Investment Advisors using DCF modelling techniques reflective of their current and anticipated cash flows and market inputs. Refer to note 6 for further details.

4. Expenses

	Notes	Six months to 30 June 2022 (Unaudited) £	Six months to 30 June 2021 (Unaudited) £
Payable to the Manager or associates of the Manager:			
Manager's periodic charge and Registrar's fee	15	16,324	16,626
Listing agent fees		2,732	2,719
		19,056	19,345
Payable to the Trustee or associates of the Trustee:			
Trustee's fee	15	9,959	9,904
Administration fees		20,930	21,185
Collateral Administration and Reporting Agent fees		23,788	25,576
Registration and Transfer Agency fees		744	744
Note Trustee fees		5,058	5,030
Paying Agent fees		744	744
Custody and VFN Agent fees		9,945	9,945
Bank charges		653	603
Compliance fees		7,469	7,500
		79,290	81,231
Other expenses:			
Investment Management and Advisory fees	15	98,848	105,217
Execution Agent fees		14,121	15,031
Investment Servicer fees		28,242	30,062
Audit fees		47,478	28,310
Permit fees		3,055	3,054
Administration fees – GIC	15	31,741	9,229
Stock exchange fees		9,316	10,417
Legal fees		3,570	6,909
		236,371	208,229
Total expenses		**334,717**	**308,805**

Investment Management and Advisory fees, Execution Agent fees and Investment Servicer fees
Under the Investment Management and Advisory agreement, each Investment Advisor is entitled to receive on each Dividend Payment Date (as defined in the Investment Management and Advisory agreement) an investment advisory fee equal to (i) in the case of Mizuho International plc, 0.075 per cent per annum and (ii) in the case of Commerzbank AG, London Branch, 0.10 per cent per annum of the principal amount outstanding of the Notes as at the immediately prior Dividend Payment Date.

Commerzbank AG, London Branch as Execution Agent is entitled to receive on each Dividend Payment Date an execution agent fee equal to 0.025 per cent per annum of the principal amount outstanding of the notes as at the immediately prior Dividend Payment Date.

Notes to the Condensed Interim Financial Statements (continued)

4. Expenses (continued)

Investment Management and Advisory fees, Execution Agent fees and Investment Servicer fees (continued)

Mizuho Bank, Ltd, as investment servicer is entitled to receive on each Dividend Payment Date an investment servicer fee equal to 0.05 per cent per annum of the principal amount outstanding of the notes as at the immediately prior Dividend Payment Date.

Under the Subscription Agreement, the Fund is responsible for bearing certain operating expenses of GIC. Refer to note 15 for additional disclosures regarding the relationship of the Fund with GIC.

5. Interest expense

	Six months to 30 June 2022 (Unaudited) £	**Six months to 30 June 2021 (Unaudited) £**
Interest expense on financial liabilities at amortised cost	**434,522**	**141,824**

Interest expense on financial liabilities at amortised cost consists of interest on the VFN. Details of the interest rate applicable to the VFN can be found in note 10.

6. Secured Investments

	30 June 2022 (Unaudited) £	**31 December 2021 (Audited) £**
Cost brought forward	113,905,165	121,243,665
Redemptions*	(3,471,408)	(7,338,500)
Cost at end of the period/year	**110,433,757**	**113,905,165**
Cumulative unrealised loss	(6,144,637)	(5,431,239)
Fair value at end of the period/year	**104,289,120**	**108,473,926**

*Redemptions are in the normal course of maturity and at par.

Secured Investments are issued in denominations of not less than £50,000 and in integral multiples of £1 and are issued in series. The Note Issuer will use the proceeds from the issue of the Secured Investments to fund the acquisition of certain investments ("underlying investments"). The right to receive interest and principal on Notes of a series will correspond to the rights to receive interest and principal on the underlying investment as specified in the relevant supplemental listing particulars for that series, less 0.01% per annum of interest. The interest receivable on a Secured Investment is based upon the amount of principal outstanding on the Secured Investment at any time. The interest periods and payment dates are set out within the relevant supplemental listing particulars for each series.

Unless previously redeemed in full, each Secured Investment of each series shall be redeemed at its principal amount outstanding with accrued interest on its final maturity date, less any principal losses arising in respect of the relevant underlying investment, which are allocable to that Secured Investment in accordance with the terms and conditions applicable to that series. The principal amount outstanding of any Secured Investment at any time is the aggregate principal amount of that Secured Investment on its issue date less any amount of principal repaid thereon from time to time.

Any and all security granted by the Note Issuer in respect of each Series shall be granted in favour of the Note Issuer who shall hold such security on trust for the Fund. The security held in respect of the Secured Investments is comprised of an assignment of all the Note Issuer's rights and title under the underlying investment and its related security (if any), a charge by way of first ranking fixed security of all the Note Issuer's rights and title in the accounts maintained by the Note Issuer in respect of each Series, a floating charge over the Note Issuer's property and assets, and additional foreign law security, if any, in favour of the Note Issuer Security Trustee.

In connection with the Secured Investment, Zedra Jersey Trust Corporation Limited (formerly known as BNP Paribas Jersey Trust Corporation Limited) (the "Note Trustee"), acting as agent on behalf of the holders of the Secured Investments, has granted a post-enforcement call option ("PECO") entitling Greenway Infrastructure Capital Holdings Limited (the "PECO Holder") to acquire from the holders of the Secured Investments the Secured Investments (plus accrued interest thereon).

Notes to the Condensed Interim Financial Statements (continued)

6. Secured Investments (continued)
The PECO will have the effect of legally extinguishing any debt owed to holders of the Secured Investments in the event that repayment becomes impossible for the Note Issuer. The Secured Investments will then be derecognised. The PECO shall become exercisable on the date upon which the Note Trustee gives written notice to the PECO Holder that it has determined, in its sole opinion and discretion, that all amounts outstanding under the Secured Investments have become due and payable and there is no reasonable likelihood of there being any further realisations (whether arising from an enforcement of the security of otherwise) which would be available to pay amounts outstanding under the Secured Investments.

7. Fair value hierarchy
The Fund categorises fair values using the following fair value hierarchy that reflects the significance of the lowest level inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable variable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments, measured at fair value at the end of the period/year or for which fair value is disclosed, by the level in the fair value hierarchy into which the fair value measurement is categorised:

30 June 2022	**Level 1 (Unaudited) £**	**Level 2 (Unaudited) £**	**Level 3 (Unaudited) £**	**Total (Unaudited) £**
Secured Investments	-	-	104,289,120	104,289,120
VFN	-	-	100,884,840	100,884,840

31 December 2021	**Level 1 (Audited) £**	**Level 2 (Audited) £**	**Level 3 (Audited) £**	**Total (Audited) £**
Secured Investments	-	-	108,473,926	108,473,926
VFN	-	-	104,305,481	104,305,481

Level 3 reconciliation – Secured Investments
The analysis below is a reconciliation of the movements in the fair value of financial assets categorised as Level 3 during the period/year.

	30 June 2022 (Unaudited) £	**31 December 2021 (Audited) £**
Opening fair value	108,473,926	114,460,487
Redemptions	(3,475,018)	(7,338,500)
Realised gains on Secured Investments	3,610	-
Unrealised (losses)/gains on Secured Investments	(713,398)	1,351,939
Closing fair value	**104,289,120**	**108,473,926**

Notes to the Condensed Interim Financial Statements (continued)

7. Fair value hierarchy (continued)
Level 3 reconciliation – Secured Investments (continued)
Transfers between levels are determined based on changes to the significant inputs used in the fair value estimation as disclosed below. The Trustee has selected an accounting policy to apply transfers between levels in the fair value hierarchy at the beginning of the relevant reporting period.

During the period ended 30 June 2022 and year ended 31 December 2021, there were no transfers within levels in the fair value hierarchy.

Quantitative information of significant unobservable inputs – Level 3 – Secured Investments

Description	Valuation technique	Unobservable input	Range (weighted average)	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Secured Investments - *Private finance initiative*	DCF	Discount rate	2.0% - 3.5% (2021: 2.0% - 3.5%)	104,289,119	108,473,926

The fair values of the Secured Investments have been estimated through DCF modelling techniques, with reference made to expected cash flows arising on underlying loan facility agreements in place at the GIC level. Discount factors have been applied based on relevant SONIA rates plus a margin.

Private Finance Initiative Secured Investments ("PFI Secured Investments")
In arriving at the reported fair values of all PFI Secured Investments, the following judgemental inputs have been used within the valuation models:

- Expected cash flows until contractual maturity:
    - In all cases, the valuation is based on contractual cash flows being settled in line with the contractual arrangements.
    - In forecasting the future cash flows, amounts in relation to the future related interest cash flows are included based on estimated future SONIA rates.
- All the contractual cash flows, except for Series 6, have been discounted at a rate of 2.0%. The contractual cash flows for Series 6 have been discounted at a rate of 3.5% as the cladding on the associated building needed replacing and was a significant cost to the project. The cash injection has been made by means of shareholder loan, but as the works are still on-going, the Investment Advisors recommended maintaining a discount rate of 3.5% until works are completed and the financial situation of the project is clear. Depending on the outcome, this could be materially different from the key judgement made by the Investment Advisors in respect of the discount rate applied. The debt on series 6 was serviced throughout the six month period ended 30 June 2022. These discount rates, in the opinion of the Investment Advisors, represent the appropriate rate to reflect the risk profile of the PFI Secured Investments.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy – Level 3 – Secured Investments
The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 30 June 2022 is below:

			Effect on fair value	
Description	Input	Sensitivity used	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Secured investments - Private finance initiative	Discount rate	+1%	(5,223,812)	(5,955,594)
		-1%	5,673,344	6,505,104

Notes to the Condensed Interim Financial Statements (continued)

8. Interest and other receivables

	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Accrued interest on Secured Investments	660,816	393,108
Redeemed principal receivable on Secured Investments	807,148	750,195
Other debtors	867	1,345
Prepayments	21,949	2,835
Total	**1,490,780**	**1,147,483**

Redeemed principal receivable on Secured Investments represents amounts to be returned to the Fund in respect of partially redeemed Secured Investments.

9. Units
The Fund's capital is represented by the Units outstanding.

The objective of the Fund is to achieve an attractive risk-adjusted net return to investors. The Fund will seek to achieve its investment objective by investing on a leveraged basis in a portfolio of Secured Investments and Cash Investments.

The Fund does not have any externally imposed capital requirements.

The Fund can issue up to 2,000,000 Units.

	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
Units issued and fully paid	**No.**	**£**	**No.**	**£**
Balance at start of the period/year	239,997	24,017,710	239,997	24,017,710
Balance at the end of the period/year	**239,997**	**24,017,710**	**239,997**	**24,017,710**

(a) The rights attaching to the Units are as follows:
The initial offering of Units was at a price of £100 per Unit.

No Unitholder shall have any liability for the debts of the Fund or of the Trustee. Neither the Trustee nor the Manager shall have any authority to enter into any transactions, or incur any debt or liability, as agent for, or otherwise so as to bind contractually, a Unitholder.

The Unitholders shall not have, or acquire, any right against the Trustee in respect of Units save such as are expressly conferred upon them by the Trust Instrument.

Each Unit evidences an undivided beneficial interest in the assets of the Fund and no Unit shall confer any interest or share in any particular part of the Trust assets. Neither the Fund nor the Arranger, Commerzbank AG, London Branch has any obligation to repurchase the Units or any instruments sold to the investor.

Units in the Fund will suffer first losses attributable to the Secured Investments and Cash Investments. Any reductions in interest rates, write-downs of principal, extensions of maturity dates and amortisation schedules and losses on dispositions of Trust assets will be borne first by the Fund and accordingly by Unitholders in the Fund, before any loss to the holders of the VFN.

The Unitholders of the Fund shall bear all the risks of the Trustee investing in securities or holding cash denominated in any currency.

The Units may be transferred, subject to the prior written consent of the Manager.

The Trustee shall be entitled to redeem all (or, as applicable, part) of a Unitholder's Units on a pro rata basis:

(i) to the extent required to give effect to the removal of Secured Investments or Cash Investments from the Trust Assets; and

(ii) to the extent required to give effect to an early redemption of the VFN notified to the Trustee in writing by the Investment Advisors.

Notes to the Condensed Interim Financial Statements (continued)

9. Units (continued)
(b) Termination of the Fund
The Fund is a perpetual unlimited Jersey unit trust and there is no right of early redemption under the Units. The Fund will continue indefinitely unless a termination event occurs.

The Trustee shall redeem all of a Unitholder's Units if the Fund terminates as a result of any of the circumstances set out below:

(i) The VFN becomes subject to a mandatory redemption in whole pursuant to the terms and conditions of the VFN and the VFN is not replaced with alternative funding;

(ii) A VFN Enforcement Notice is delivered;

(iii) The appointment of the Manager is terminated under the Trust Instrument and no replacement has been appointed as a manager in accordance with the Trust Instrument;

(iv) The appointment of the Investment Advisors is terminated pursuant to the Investment Advisory Agreement and no replacement has been appointed as an Investment Advisors in accordance with the terms of the Investment Advisory Agreement;

(v) If the gross value of the Trust assets exceeds £50 million, a resolution of Unitholders is passed by the holders of not less than 90% of the aggregate outstanding Units and consent of the registered holders of not less than 75% of the aggregate principal amount outstanding of the VFN is obtained approving termination; or

(vi) If the gross value of the Trust assets is less than £50 million, a resolution of Unitholders is passed by the holders of not less than 75% of the aggregate outstanding Units and consent of the registered holders of not less than 75% of the aggregate principal amount outstanding of the VFN is obtained prior to approving termination.

(c) Income distribution policy
The Trustee may from time to time make income distributions arising from the assets of the Fund to the Unitholders. In the event that proceeds arising from the redemption of Secured Investments have not been reinvested within six months after the date of receipt by the Fund they shall be distributed pro rata to the Unitholders.

On each distribution determination date, the Trustee shall determine the distribution, in its sole discretion, to be paid by the Fund on the related distribution payment date. The non-payment of an income distribution will not constitute a breach of an obligation in respect of the Fund. Each such income distribution shall be payable by the Fund in arrears on the relevant payment date.

Any amounts retained and not paid out as distributions by the Fund may be reinvested in Secured Investments or Cash Investments, at the discretion of the Investment Advisors. The Fund may not realise Secured Investments or Cash Investments to pay a distribution.

The Trustee may, with the sanction of an ordinary resolution of the Unitholders and the registered holders of not less than 75% of the aggregate principal amount outstanding of the VFN, distribute in kind among holders of such Units by way of distribution any of the assets of the Fund.

A distribution of £0.66 per Unit totalling £158,398 was proposed and paid on 8 July 2021 in respect of the period 1 January 2021 to 30 June 2021 and recognised in the financial statements for the year ended 31 December 2021.

A distribution of £0.29 per Unit totalling £69,599 was proposed and paid on 7 January 2022 in respect of the period 1 July 2021 to 31 December 2021 and recognised in the condensed interim financial statements for the period ended 30 June 2022.

A distribution of £0.67 per Unit totalling £160,798 was proposed and paid on 7 July 2022 in respect of the period 1 January 2022 to 30 June 2022. This distribution has not been recognised in the condensed interim financial statements for the period ended 30 June 2022.

Notes to the Condensed Interim Financial Statements (continued)

9. Units (continued)
(d) Priority of payments
The following order of priority will apply to the distribution of income and other assets of the Fund:

(i) To pay the fees, costs and expenses of the Security Trustee and any Receiver and all amounts payable by the Fund to any tax authority;

(ii) To replace any previous overpayment of an income distribution;

(iii) To pay any costs and expenses associated with the acquisition and/or issue by GIC of the Secured Investments;

(iv) To pay any interest payments outstanding;

(v) To pay to the extent of any shortfall, all expenses relating to the Fund due and payable to the Manager, the Trustee, the Registrar, the Administrator, the Investment Advisors, or in respect of the fees and expenses of its accountants or auditors and any disbursements;

(vi) To pay any amount of principal then due and payable by the Fund in order to effect an early redemption of the Variable Funding Note;

(vii) To pay any income distributions then due and payable by the Fund; and

(viii) In redemption of Units of the Fund in the circumstances noted in (a) or (b) above.

10. Financial liabilities at amortised cost

VFN	**30 June 2022 (Unaudited) £**	**31 December 2021 (Audited) £**
Balance brought forward	104,305,481	111,627,763
Redeemed during the period / year	(3,420,000)	(7,321,000)
Movement in deferred income: discount on purchase of note series 24	(641)	(1,282)
Balance carried forward	**100,884,840**	**104,305,481**

Split in the Statement of Financial Position under headings:	**30 June 2022 (Unaudited) £**	**31 December 2021 (Audited) £**
Current liabilities	3,415,000	3,420,000
Non-current liabilities	97,469,840	100,885,481

The Pound Sterling denominated VFN has been issued by the Fund for the purpose of providing leverage and for achieving the target returns for investors. The VFN has a minimum denomination of £250,000, constitutes a direct, secured and limited recourse obligation of the Fund, and is secured on the Secured Investments held by the Fund. The initial issue of the VFN on 22 November 2006 was in the amount of £233,591,600 and a further issue was made on 31 January 2007 in the amount of £14,640,242. The VFN is listed on TISE.

In advance of LIBOR ceasing to be published on 31 December 2021, the Trustee, on behalf of the Fund, signed a deed of amendment agreement with Commerzbank AG on 1 July 2021 in order to amend certain conditions in relation to the determination of interest amounts to reflect the transition away from LIBOR to SONIA. For the VFN, the transition away from LIBOR to SONIA has been completed.

The Fund may, by giving not less than ten business days' prior notice, repay the VFN principal amount outstanding at any time, in whole or in part. Unless previously redeemed in full, the Fund shall redeem the VFN at its principal amount outstanding together with accrued interest on the maturity date of the VFN, being the 28 September 2035, or such other date as may be determined by the Fund and the VFN holder.

The VFN shall be subject to mandatory redemption in part on each distribution date if on such distribution date there are any amounts of principal available for distribution in accordance with the Trust Instrument with respect to the Secured Investments, after paying any and all amounts payable out of such funds in priority to payments on the VFN, available to the Fund for payment to the VFN holders.

Notes to the Condensed Interim Financial Statements (continued)

10. Financial liabilities at amortised cost (continued)
During the period, the Fund made total redemptions of the VFN amounting to £3,420,000 (31 December 2021: £7,321,000).

The VFN is split into three tranches.

The interest payable on principal Tranche A is payable semi-annually on 30 June and 31 December each year, on principal Tranche B, interest is payable semi-annually on 31 March and 30 September each year, and on principal Tranche C interest is payable monthly. The interest for Tranches A and B is determined using the 6 month GBP LIBOR rate plus a margin and for Tranche C, 1 month GBP LIBOR rate plus a margin.

	Tranche A (Unaudited) £	Tranche B (Unaudited) £	Tranche C (Unaudited) £	Total (Unaudited) £
At 1 January 2022	15,667,701	78,818,800	9,818,980	104,305,481
Tranche rebalancing during the period	2,664,259	(2,481,110)	(183,149)	-
Capital redemptions during the period	(3,420,000)	-	-	(3,420,000)
Movement in deferred income: discount on purchase of note series 24	(641)	-	-	(641)
At 30 June 2022	**14,911,319**	**76,337,690**	**9,635,831**	**100,884,840**

The tranche rebalancing is instigated to align the VFN to the further changes in the interest payment profile of the corresponding investments. The VFN are listed on the TISE at their par values which is the amount outstanding.

VFN fair value
The fair value of the VFN at 30 June 2022 amounted to £104,243,685 (31 December 2021: £108,176,868). The fair value is calculated as the difference between the fair value of the Secured Investments and the fair value of the net assets, computed by discounting the Unitholders' cash flows at a Unit cost of capital based upon market comparatives. The fair value as at 30 June 2022 was calculated by the Investment Advisors.

Had the net asset value calculated for Unitholder dealing purposes as at 30 June 2022 used the fair value of the Secured Investments as reported in these condensed interim financial statements and the fair value of the VFN as noted above, then the net asset value would have amounted to £9,009,661 (31 December 2021: £8,863,668) and the net asset value per Unit would have amounted to £37.54 (31 December 2021: £36.93).

11. Interest and other payables

	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Accrued interest on VFN	330,217	93,404
Accrued Manager's periodic charge	43,377	27,053
Accrued Trustee's fee	-	8,822
Accrued Administration fees	2,877	7,613
Accrued Collateral Administration and Reporting Agent Fees	54,041	55,253
Accrued Custodian and VFN Agent fees	4,986	5,041
Accrued Investment Management and Advisory fees	98,848	103,552
Accrued Execution Agent fees	14,121	14,793
Accrued Investment Servicer fees	28,242	29,586
Accrued other expenses	178,129	126,558
Accrued professional fees - GIC	10,770	14,400
Total	**765,608**	**486,075**

12. Net asset value per Unit and basic and diluted (loss)/earnings per Unit
The calculation of the basic and diluted loss of £2.22 per Unit for the six months ended 30 June 2022 (2021: earnings of £4.23 per Unit) was based on the loss attributable to Unitholders of £(533,760) (2021: profit of £1,015,414) and weighted average number of Units of 239,997 (30 June 2021: 239,997). There is no potential dilution of earnings per Unit.

Notes to the Condensed Interim Financial Statements (continued)

12. Net asset value per Unit and basic and diluted (loss)/earnings per Unit (continued)
The calculation of the net asset value of £50.16 per Unit at 30 June 2022 (31 December 2021: £52.67 per Unit) was based on net assets attributable to Unitholders of £12,038,292 (31 December 2021: £12,641,651) and the number of Units outstanding of 239,997 (31 December 2021: 239,997).

13. Reconciliation of net asset value

	30 June 2022 (Unaudited) £	31 December 2021 (Audited) £
Net asset value as previously reported for Unitholder dealing purposes	9,034,660	8,888,668
Deferred income: discount on purchase of note series 24	(17,309)	(17,950)
Revaluation adjustment of financial liabilities at amortised cost – variable funding note (for Unitholder dealing purposes)	3,045,940	3,795,933
Accruals adjustment	(24,999)	(25,000)
Net assets per financial statements	**12,038,292**	**12,641,651**

As disclosed in note 10, the fair value of the VFN liability is calculated on a quarterly basis by the Investment Advisors and the revised price is used in the determination of the net asset value of the Fund for Unitholder dealing purposes.

14. Contingent liabilities and commitments
There were no contingent liabilities at the Condensed Statement of Financial Position date. The Fund undertakes to subscribe for any Notes issued by the Note Issuer when the Note Issuer is itself required to make payments in respect of its underlying investments. No such payment obligations by the Note Issuer were outstanding at the Condensed Statement of Financial Position date. The Fund has an undrawn cash commitment to GIC of £4,218,072 (31 December 2021: £4,218,072) in relation to the Secured Investments.

The carrying amount of financial assets pledged as collateral for the Fund's liabilities is comprised of all of the Fund's rights, title, interest and benefit, present and future, in and to the Notes and any other investments made by the Fund, and all amounts standing to the credit of any accounts held by the Fund, including all monies, income and proceeds payable to the Fund, and all property and assets held by the Fund.

The total value of the financial assets held by the Fund at 30 June 2022 pledged as collateral for the Fund's liabilities is £113,688,740 (31 December 2021: £117,433,207).

15. Related parties
Intertrust Fund Services (Jersey) Limited is the Manager and Registrar to the Fund in accordance with the Trust Instrument and is deemed to be a related party. The Manager and Registrar are remunerated based on the fee letter dated 22 November 2006. An amount of £16,324 (30 June 2021: £16,626) was incurred during the period as disclosed in note 4.

As Trustee to the Fund, Zedra Trust Company (Jersey) Limited (formerly known as BNP Paribas Jersey Trust Corporation Limited) is deemed to be a related party. The Trustee is remunerated based on the fee letter dated 22 November 2006. An amount of £9,959 was incurred (30 June 2021: £9,904 earned) during the period as disclosed in note 4.

All transactions and balances associated with the Manager and Trustee are disclosed in notes 4 and 11.

Included within the Investment Management and Advisory fees, the Execution Agent fees and the Investment Servicer's fees are fees paid to Commerzbank AG, London Branch, Mizuho Corporate Bank, Ltd and Mizuho International plc. Transactions and balances associated with these parties are disclosed in notes 4 and 11. These parties are deemed to be related parties to the Fund on the basis that they have an interest in the Fund that gives them the ability to exert a significant influence over the Fund.

Commerzbank AG, London Branch as sole holder of the VFN is deemed to be a related party to the Fund on the basis of the significant influence identified above. Interest paid to Commerzbank AG, London Branch as holder of the VFN, distributions paid to Commerzbank AG, London Branch as a Unitholder, and the carrying amount of the VFN at the Condensed Statement of Financial Position date is identified in notes 4, 9 and 10.

On the basis that Commerzbank AG, London Branch is a controlling party and an Investment Advisor of GIC, transactions with GIC are deemed to be related. Transactions with GIC during the period related to the acquisition and return of principal in respect of the Secured Investments, the payment of interest on Secured Investments to the Fund. Interest on Secured Investments and fees paid to the Fund during the period are set out in the Condensed Statement of Comprehensive Income.

Notes to the Condensed Interim Financial Statements (continued)

15. Related parties (continued)
The expenses incurred by the Fund on behalf of GIC are disclosed in note 4. In addition to the Investment Management and Advisory fees, the Execution Agent fees and the Investment Servicer fees paid on behalf of the Note issuer, the Fund incurs expenses in relation to corporate services on behalf of the Note Issuer payable to TMF Global Services (UK) Limited in accordance with the Corporate Services Agreement. An amount of £31,741 (30 June 2021: £9,229) was incurred during the period as disclosed in note 4.

The cash received by the Fund in respect of return of principal during the period totalled £3,414,453 (30 June 2021: £3,900,397).

The total value of Secured Investments held at the Condensed Statement of Financial Position date is disclosed in note 6.

All transactions between the Fund and the related parties set out above have been undertaken on an arm's length basis.

16. Events after the reporting period
On 11 July 2022, the Fund made a partial repayment of the VFN amounting to £3,415,000. Following this payment, the principal balance outstanding was £97,452,535.

On 26 August 2022, BNP Paribas Jersey Trust Corporation was acquired by Zedra Trust Company (Jersey) Limited and changed its name to Zedra Jersey Trust Corporation Limited on 20 September 2022.

A distribution of £0.67 per Unit totalling £160,798 was proposed and paid on 7 July 2022 in respect of the period 1 January 2022 to 30 June 2022. This distribution has not been recognised in the condensed interim financial statements for the period ended 30 June 2022.

17. Reconciliation of liabilities arising from financing activities

	£
Balance as at 1 January 2022	**104,305,481**
Cash flow movements	
Redemption of financial liabilities at amortised cost	(3,420,000)
Non-cash flow movements	
Movement in deferred income: discount on purchase of note series 24	(641)
Balance as at 30 June 2022	**100,884,840**

	£
Balance as at 1 January 2021	**111,627,763**
Cash flow movements	
Redemption of financial liabilities at amortised cost	(7,321,000)
Non cash flow movements	
Movement in deferred income: discount on purchase of note series 24	(1,282)
Balance as at 31 December 2021	**104,305,481**

18. Controlling party
The Fund's immediate and ultimate controlling party is Commerzbank AG, a company incorporated in Germany.