

HOLLYPORT SECONDARY OPPORTUNITIES IV UNIT TRUST
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

GENERAL INFORMATION

Trustee and Registered Office	EFG Fund Administration Limited 5 th Floor, 44 Esplanade St Helier Jersey, JE1 3FG, Channel Islands
Investment Manager	Hollyport Capital LLP Devonshire House 1 Devonshire Street London, W1W 5DR, United Kingdom
Independent Auditor	BDO Limited Windward House La Route de la Liberation, St Helier Jersey, JE1 1BG, Channel Islands
TISE Listing Sponsor	EFG Fund Services (a division of EFG Wealth Solutions (Jersey) Limited) 5 th Floor, 44 Esplanade St Helier Jersey, JE1 3FG, Channel Islands
Legal Advisor	- as to English law:- Gunnercooke LLP 1 Cornhill London, EC3V 3ND, United Kingdom - as to Jersey law:- Lexstone Lawyers 22 Esplanade St Helier Jersey, JE2 3QA, Channel Islands
Principal Bankers	EFG Private Bank Limited, Jersey Branch 44 Esplanade St Helier Jersey, JE1 3FG, Channel Islands
Trust Established	8 February 2013, in Jersey, Channel Islands
Domicile	Jersey, Channel Islands
Constitution	Hollyport Secondary Opportunities IV Unit Trust (the 'Unit Trust') was constituted out of the proceeds of issues of Units paid or transferred to the Trustee and held as part of the trust fund in accordance with the Declaration of Trust dated 8 February 2013. The Trustee holds the Trust Fund on trust for the Unitholders on the terms and subject to the powers and provisions of the aforementioned Declaration of Trust. The notes set out above are merely an aide-memoire. For any matters requiring detailed consideration reference should be made to the aforementioned Declaration of Trust.

**REPORT OF THE TRUSTEE
FOR THE YEAR ENDED 31 DECEMBER 2022**

Objectives

The objective of Hollyport Secondary Opportunities IV Unit Trust (the 'Unit Trust') is to acquire investments by way of mature private equity interests and to subsequently realise profits on such interests over the intended realisation period of the Unit Trust of ten years or less. The Unit Trust was scheduled to terminate on 23 July 2023, being ten years after its first issue date. However, on 17 February 2023, the life of the Unit Trust was extended for another year to 19 July 2024. The duration of the Unit Trust may be extended for up to two periods of one year by a special resolution of a meeting of all Unitholders.

Responsibilities of the Trustee for the financial statements

The Trustee is responsible for preparing the annual report and the financial statements in accordance with the relevant Trust Instrument. The Trustee has chosen to prepare financial statements for the Unit Trust in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Unit Trust will continue in business.

The Trustee confirms it has complied with all the above requirements in preparing the financial statements.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Unit Trust and to enable it to ensure that the financial statements comply with the Trust Instrument. The Trustee is also responsible for safeguarding the assets of the Unit Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern and capital management

As disclosed in note 3 to these financial statements the Unit Trust meets its funding requirements from Unitholders' subscriptions, and retentions made on realisation of investments. The note also sets out the Unit Trust's exposure to and management of the various facets of its perceived financial risk.

The ongoing Russia-Ukraine conflict and the related sanctions targeted against Russian Federation have impacted on the European economics and globally. As the conflict persists, the Trustee and Investment Manager continue to monitor any holdings in these regions closely. The Unit Trust holds one interest that operates in Russia and Ukraine, which was significantly written down to reflect market conditions.

The Unit Trust was scheduled to terminate on 23 July 2023, being ten years after its first issue date. However, a special resolution was proposed and passed at a meeting of the Unitholders, agreeing to the extension of the Trust by an additional one-year period to 19 July 2024.

REPORT OF THE TRUSTEE - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern and capital management - continued

The Unit Trust incurred a net loss of £1,280,547 during the year ended 31 December 2022 and, as of that date, has a net current asset position of £1,047,598. The Trustee considers that the Unit Trust has adequate means of meeting its financial obligations and is well positioned to manage its business risks for the foreseeable future. Accordingly, it continues to adopt the going concern basis in the preparation of the financial statements.

Results

The results for the year are set out on page 9.

Reporting fund status

The Unit Trust was accepted into HMRC's Reporting Fund regime.

Stock Exchange listing

The Unit Trust's A units were listed up to their cancellation in September 2018 and the B units are listed on The International Stock Exchange.

Independent auditor

BDO Limited has expressed its willingness to continue in office as auditor. The Trustee confirms that (a) so far as it is aware, there is no relevant audit information of which the Unit Trust's auditor is unaware and (b) it has taken all steps which it ought to have taken to make itself aware of any relevant audit information and to establish that the Unit Trust's auditor is aware of that information.

DocuSigned by:



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For EFG Fund Administration Limited
as Trustee of Hollyport Secondary Opportunities IV Unit Trust
3 March 2023

**INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

We are pleased to present the Investment Manager Report for Hollyport Secondary Opportunities IV (“the Fund”), covering the period to 31 December 2022.

The Fund held a first close on 5 July 2013, and a final close on 18 December 2013 at £75m. The Fund is comprised of a Unit Trust (“the Unit Trust”) and a Limited Partnership (“the LP”). The A and B Units in the Unit Trust have £50m of commitments, and the LP has £25m of commitments. The Fund has called 75% of investors’ commitments.

The original life of the Trust was due to terminate on 23 July 2023. A special resolution was proposed and passed at a meeting of the Unitholders, agreeing to the extension of the Trust by an additional one-year period to 19 July 2024.

There is sufficient liquidity in the Fund to cover financial liabilities and we therefore expect that investors will not be required to make any further commitments to the Fund.

The Fund has acquired 180 interests comprising a broad spread of global assets and is currently in its realisation phase. In total, the Fund has made twenty-two cash distributions to investors since the end of the investment period returning a total of 157% of investor’s called capital.

As the Russia-Ukraine conflict persists, we continue to monitor any holdings in these regions closely. The Fund holds one interest that operates in Russia and Ukraine; Amanda III, which was significantly written down in a prior period to reflect market conditions. The value of Amanda III equates to less than 1% of the aggregate net asset value of the Fund as at 31 December 2022. We will keep you informed of any material developments regarding the Fund’s exposure to this region.

Hollyport Capital LLP
Investment Manager
3 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HOLLYPORT SECONDARY OPPORTUNITIES IV UNIT TRUST

Opinion

In our opinion, the financial statements:

- present fairly in all material respects the state of the Unit Trust's affairs as at 31 December 2022 and of its total comprehensive loss for the year then ended; and
- have been properly prepared in accordance with IFRSs.

We have audited the financial statements of Hollyport Secondary Opportunities IV Unit Trust ("the Unit Trust") for the year ended 31 December 2022 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Unitholders, Statement of Cash Flows and Notes 1 to 13 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board.

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 Unit Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC's Ethical Standard, 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.

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Unit Trust'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.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the



financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Trustee

As explained more fully in the Responsibilities of the Trustee for the financial statements, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they are presented fairly in all material respects, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the Unit Trust'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 Trustee either intends to liquidate the Unit Trust or to cease operations, or has no realistic alternative but to do so.

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.

Extent to which the audit was 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.

We gained an understanding of the legal and regulatory framework applicable to the Unit Trust and the industry in which it operates and, considered the risk of acts by Investment Advisor and the Trustee of the Unit Trust which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Trusts (Jersey) Law 1984, Collective Investment Funds (Jersey) Law 1988, and the listing rules of The International Stock Exchange (TISE). We made enquiries of the directors of the Trustee to obtain further understanding of risks of non-compliance.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of the Trustee's Board meetings throughout the year; and
- obtaining an understanding of the control environment in place to prevent and detect irregularities.



Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Unitholders, as a body. Our audit work has been undertaken so that we might state to the Unitholders 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 Unit Trust and the Unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

BDO Limited


BDO Limited
Chartered Accountants
Jersey, Channel Islands
03 March 2023

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31 December 2022		31 December 2021	
		GBP	GBP	GBP	GBP
Assets					
Non-current assets					
Financial assets at fair value through profit or loss	6		22,597,352		24,487,155
Current assets					
Receivables	7	61,302		61,528	
Cash and cash equivalents	8	<u>1,030,548</u>		<u>599,945</u>	
			1,091,850		661,473
Total assets			<u>23,689,202</u>		<u>25,148,628</u>
Liabilities					
Current liabilities					
Payables	9		(44,252)		(223,131)
Net assets attributable to Unitholders	10		<u>23,644,950</u>		<u>24,925,497</u>
Represented by					
Contributed capital	10		56,064,875		56,064,875
Distributions			(96,699,808)		(96,699,808)
Net capital realised gain			80,601,677		79,530,419
Net capital unrealised loss			(10,731,362)		(8,712,762)
Accumulated excess of expenses over income			(5,590,432)		(5,257,227)
Net assets attributable to Unitholders			<u>23,644,950</u>		<u>24,925,497</u>
Net asset per unit (in pence) :-	10				
A units			-		-
B units			2,675.75		2,841.64
C units			23,604.81		25,068.26
LP units			31.63		32.85

The financial statements set out on pages 8 to 30 were authorised for issue by EFG Fund Administration Limited in its capacity as Trustee of Hollyport Secondary Opportunities IV Unit Trust on 3 March 2023 and were signed on its behalf by:

N T Greenwood
Director

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The notes on pages 12 to 30 are an integral part of these audited financial statements.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Year ended 31 Dec 2022 GBP	Year ended 31 Dec 2021 GBP
Income			
Income element of distributions receivable	2	69,693	476,933
Net (loss)/gain on financial assets at fair value through profit or loss	6	(947,343)	3,999,761
Total (expense)/income		<u>(877,650)</u>	<u>4,476,694</u>
Expenses			
Investment management fees	11	249,058	326,232
Trustee fees	11	124,703	127,028
Legal and professional fees		24,654	33,291
Audit fees		55,754	49,480
Withholding tax deducted / (refunded) from income element of distributions		1,802	1
Listing fees		3,327	5,475
Sundry expenses		414	667
Net (gain)/loss on foreign exchange		(58,245)	8,394
Total operating expenses		<u>401,467</u>	<u>550,568</u>
Finance costs			
Finance charges		1,430	16,890
Total finance expenses		<u>1,430</u>	<u>16,890</u>
(Decrease)/increase in net assets attributable to Unitholders from operations		<u>(1,280,547)</u>	<u>3,909,236</u>

The notes on pages 12 to 30 are an integral part of these audited financial statements.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Year ended 31 Dec 2022 GBP	Year ended 31 Dec 2021 GBP
Distributions payable to Unitholders		
Distributions for A units	-	-
Distributions for B units	-	6,501,200
Distributions for C units	-	1,147,270
Distributions for LP units	-	3,993,000
	<u>-</u>	<u>11,641,470</u>
(Decrease)/increase in net assets attributable to Unitholders from operations	(1,280,547)	3,909,236
Net assets attributable to Unitholders at beginning of year	24,925,497	32,657,731
Net assets attributable to Unitholders at end of year	<u>23,644,950</u>	<u>24,925,497</u>

The notes on pages 12 to 30 are an integral part of these audited financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Year ended 31 Dec 2022 GBP	Year ended 31 Dec 2021 GBP
Cash flows from operating activities			
(Decrease)/increase in net assets attributable to unitholders from operations		(1,280,547)	3,909,236
Net loss/(gain) on financial assets at fair value through profit or loss	6	947,343	(3,999,761)
Decrease/(increase) in receivables ¹		226	(2,670)
Decrease in payables ¹		(52,110)	(126,450)
Distributions received		942,460	10,436,419
(Gain) loss on foreign currency exchange rates on cash and cash equivalents		(57,888)	43,228
Acquisition of investments		-	(66,145)
Net cash from operating activities		<u>499,484</u>	<u>10,193,857</u>
Cash flows from financing activities			
Distributions paid		<u>(126,769)</u>	<u>(11,523,745)</u>
Net cash generated from financing activities		<u>(126,769)</u>	<u>(11,523,745)</u>
Net increase/(decrease) in cash and cash equivalents		372,715	(1,329,888)
Effects of exchange rate changes on cash and cash equivalents		57,888	(43,228)
Cash and cash equivalents at the beginning of the year		599,945	1,973,061
Cash and cash equivalents at the end of the year		<u><u>1,030,548</u></u>	<u><u>599,945</u></u>

Note:

¹ Excluding items of a capital nature

The notes on pages 12 to 30 are an integral part of these audited financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Hollyport Secondary Opportunities IV Unit Trust (the 'Unit Trust') is a Jersey closed-ended unregulated exchange traded fund whose registered office is given on page 1 of this report. Its objective is to acquire interests in mature private equity funds and to subsequently realise profits on such interests over the intended realisation period of the Unit Trust of ten years or less. The Unit Trust was scheduled to terminate on 23 July 2023, being ten years after its first issue date, but, on 17 February 2023 the life of Unit Trust was extended for another year to 19 July 2024. The duration of the Unit Trust may be extended for up to two periods of one year by a special resolution of a meeting of all Unitholders.

The Unit Trust has issued four classes of units, being A, B, C and LP units. The A, B and C units (the 'Investor Units') were issued to investors subscribing up to GBP5,000,000 each in the Unit Trust and the LP units to investors subscribing in excess of that amount. The Investor Units and the LP units rank pari passu in their entitlement to participate in the net assets of the Unit Trust except that investment management fees payable are solely for the account of the Investor Units.

The Unit Trust has been accepted into HMRC's Reporting Fund regime and its A units were listed up to cancellation in September 2018 and B units are listed on The International Stock Exchange. The C units are held by the Management Class.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to both years presented unless otherwise stated in note 2 below.

2.1 Basis of preparation

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and exercise of judgement by the Trustee while applying the Unit Trust's accounting policies. These estimates are based on the Trustee's best knowledge of the events which existed at the year end date, however, the actual results may differ from these estimates. One of the areas requiring a higher degree of judgement and which involves significant assumptions is the valuation of investments which are classified as 'financial assets at fair value through profit or loss'. The valuation methodology is discussed in detail in note 2.8 to these financial statements.

a) New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements:

Accounting Pronouncements effective in year :

There are no new standards, amendments to existing standards and interpretations that are effective in the current year that have a material impact on the financials on these financial statements.

b) New and revised IFRS in issue but not yet effective

There are a number of new standards, amendments to existing standards and interpretations that are effective for annual periods beginning after 1 January 2023 which will be adopted from their effective date. There are no new standards which are not yet effective but will have a material impact on these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies - continued**2.2 Investment entity**

The Unit Trust has multiple unrelated investors and holds multiple investments. Ownership interests in the Unit Trust are in the form of Investor Units and LP Units. The Trustee has determined that the Unit Trust meets the definition of an investment entity per IFRS 10 as the following conditions exist:

- The Unit Trust has obtained funds for the purpose of providing investors with professional investment management services;
- The Unit Trust's business purpose, which was communicated directly to investors, is investing for capital appreciation and investment income; and
- The investments are measured and evaluated on a fair value basis.

2.3 Income recognition

The major income generating sources and their recognition principles are described below:

- The income elements of distributions receivable are recognised on the date that the Unit Trust receives the right thereto and are shown gross of any applicable withholding taxes;
- Deposit interest and equalisation interest are recognised on a time-proportionate basis, using the effective interest method;
- Income in respect of financial guarantee contracts is accounted for when received and recognised over the term of the guarantee in proportion to the reducing balance of the liability thereunder. Any surplus of cash received over the cumulative amount recognised as income at each reporting date is recorded as deferred income; and
- Gains / (losses) on disposal of investments (see note 2.8b).

2.4 Expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method. Provisions are recognised when:

- The Unit Trust has a present obligation (legal or constructive) as a result of past events;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation after taking into account relevant risks and uncertainties which, in the opinion of the Trustee, will affect the amount of the provision at the time of its settlement.

In accordance with the provisions of the Limited Partnership Agreement of Hollyport Secondary Opportunities IV L.P. (the "LP") and the Unit Trust's Prospectus, the expenses incurred by the LP are ultimately borne by the Unit Trust.

2.5 Foreign currency translation*Functional and presentation currency*

Items included in the Unit Trust's financial statements are measured and presented in the functional currency of the investors, being Pounds Sterling, which is also the functional currency of the Unit Trust.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Gains and losses on translation of non-monetary items are included in net gains and losses recognised in relation to financial assets at fair value through profit and loss.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies - continued**2.6 Offsetting financial instruments**

Financial instruments are offset and the net amount reported in the balance sheet only when there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. A current legally and contractually enforceable right to offset must not be contingent on a future event. Furthermore, it must be legally and contractually enforceable in (i) the normal course of business; (ii) the event of default; and (iii) the event of insolvency or bankruptcy of the Unit Trust and all of the counterparties.

2.7 Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised at fair value plus transaction costs, if any, that are directly attributable to their acquisition or origination. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The Unit Trust assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables the Unit Trust applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

2.8 Financial Instruments*a) Classification*

The Unit Trust classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit and loss
- those to be measured at amortised cost

The classification depends on the Unit Trust's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets designated at fair value through profit and loss at inception are financial instruments that are not classified as held for trading but are managed and their performance is evaluated on a fair value basis in accordance with the Unit Trust's documented investment strategy.

The Unit Trust's policy requires the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information. Assets in this category are classified as current assets if they are expected to be realised within twelve months of the financial year end. Those not expected to be realised within twelve months of the financial year end are classified as non-current assets. Any unrealised gain or loss resulting from the re-measurement of the investments at their fair value is included in the statement of comprehensive income of the year in which they arise.

Unfunded commitments to purchase further equity in portfolio investments are classified as derivative financial instruments and disclosed within note 3.3.

b) Recognition, derecognition and measurement

Purchases of investments are recognised at the date on which the Unit Trust commits to the purchase. Financial assets and financial liabilities at fair value through profit and loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income and are shown as deal costs therein. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Unit Trust has transferred substantially all risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies - continued**2.8 Financial instruments - continued***b) Recognition, derecognition and measurement - continued*

Subsequent to initial recognition all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in their fair value are presented in the statement of comprehensive income for the period in which they arise.

Distributions receivable from investments are recognised when the Unit Trust's right to receive payments is established. The application of the distribution amounts against return of cost, capital gain / loss and income is based on the details supplied by the paying entity. Realised gains and losses are included in the statement of comprehensive income of the year in which they arise within 'Net gain on financial assets at fair value through profit or loss'.

c) Impairment

The Trustee assess on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Unit Trust applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

d) Fair value estimation

Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In accordance with IFRS 13, Fair Value Measurement, the fair value of financial instruments which are traded in active markets is based on the last traded price where that price falls within the bid – ask spread at the year end. On behalf of the Trustee the Investment Manager monitors trade prices and volumes taking place a few days before and after the year end date in order to assess whether trade prices used at each valuation date are representative of fair value. If a significant movement in fair value occurs subsequent to close of trading on the year end date valuation techniques are applied to determine the fair value. A significant event is any event that occurs after the last market price for a security but before the Unit Trust's valuation time that materially affects the integrity of year end closing prices for any security, instrument or currency affected by that event.

The Trustee believes that the most appropriate estimate of fair value for unlisted entities is the Unit Trust's share of the most recent net asset values reported by those entities as adjusted for calls and distributions made by the entities and any other value-sensitive events that occur between the entities reporting dates and the accounting date of the Unit Trust.

The valuation techniques also consider the original transaction price and take into account the relevant developments since the acquisition of the investments and other factors pertinent to the valuation of the investments, with reference to such rights in connection with realisation, recent third-party transactions of comparable types of instruments and reliable indicative offers from potential buyers. Such valuation techniques may also include earnings multiples (based on the budget earnings or historical earnings of the issuer and earnings multiples of comparable listed companies) and discounted cash flows (based on the expected future cash flows discounted at an appropriate discount rate). In determining fair value, the Trustee and Investment Manager in many instances rely on the financial data of the entities and on estimates by the management of those entities as to the effect of future developments. The Trustee and Investment Manager are aware, however, that the actual values of the entities could differ from the estimates made and those differences could be material both individually and overall.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies - continued**2.8 Financial instruments - continued***d) Fair value estimation - continued*

The Unit Trust's investments in other private equity funds ('Investee Funds') are subject to the terms and conditions of the respective Investee Fund's offering documentation. The investments in Investee Funds are primarily valued based on the latest available financial information provided by their general partners. The Investment Manager, under instruction from the Trustee of the Unit Trust, reviews the details of the reported information obtained from the Investee Funds and considers: (i) the valuation of the Investee Fund's underlying investments; (ii) the value date of the net asset value (NAV) provided; (iii) cash flows (calls/distributions) since the latest value date; and (iv) the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the Investee Fund's general partner. If necessary, adjustments to the NAV are made to the various Investee Funds to obtain the best estimate of fair value. Other net changes in fair value on financial assets and financial liabilities at fair value through the profit and loss in the statement of comprehensive income include the change in fair value of each Investee Fund during the year.

2.9 Payables

Payables are financial liabilities with fixed or determinable payments that are not quoted in an active market. Payables are recognised initially at fair value less transaction costs, if any. These are subsequently measured at amortised cost using the effective interest method. However, given the nature of payables and the short time length involved between their origination and settlement, their amortised cost is considered to be the same as their fair value at the date of origination.

Financial liabilities are derecognised when they are extinguished - that is, when the obligation specified in the contract is discharged, cancelled or expires.

2.10 Distributions from the investment portfolio and their utilisation

Distributions are receivable from the portfolio of investments either in cash or publicly quoted securities. In the latter case, the Investment Manager will seek to complete the sale of such securities within a period of three months from the date of transfer at the valuation at the time of distribution, subject to market conditions and any constraints regarding the marketability of the securities received.

The application of the distribution amounts against return of cost, capital gain / loss and income is based on the details supplied by the paying entity.

The total cash realised from distributions will:

- (a) Firstly, be applied to a reserve to be held to meet anticipated drawdowns from fund interests acquired;
- (b) Secondly, be applied to meet the costs and other expenses of the Unit Trust;
- (c) Thirdly, if received during the three year investment period within 12 months of acquisition of the relevant investment, be available for new investment; and
- (d) Fourthly, be available for distribution to Unitholders.

No distributions will be made in specie save with the consent of the Investor Representative Group. This Group comprises between three and six members appointed by the Investment Manager from among Unitholders or their representatives. If an in specie distribution is made, the value of the distribution will be determined by the most recent net asset value of the relevant investment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies - continued**2.11 Distributions to unitholders**

Distributable amounts will be apportioned between the Investor Units and the LP Units based on their respective overall commitments to the Unit Trust. The amount apportioned to the Investor Units will then be applied as follows:

Firstly, to the repayment of the total capital subscribed by A Unitholders, being the aggregate amount subscribed contemporaneously by A Unitholders for A units and B units.

Secondly, to the holders of B and C units in the following proportions:-

- a) 85% to holders of B units and 15% to holders of C units until the B unitholders have received an amount equal to that distributed to the A unitholders;
- b) 50% to holders of B units and 50% to holders of C units until the C unitholders have received 25% of the total amount distributed to the B unitholders; and
- c) 80% to holders of B units and 20% to holders of C units.

2.12 Taxation

The Unit Trust, as a separate entity, is not subject to tax. Any tax liability arising on the activity of the Unit Trust will be borne by the individual investors.

The Unit Trust currently incurs only withholding tax imposed by certain countries on income, which is recorded gross of withholding tax in the income statement. The Trustee has assessed the risk of specific identifiable uncertain tax positions as low and as a result has identified no matters that require further disclosure in the financial statements.

2.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

2.14 Net assets attributable to unitholders

Net assets attributable to unitholders are classified as a financial liability due to the finite life of the Unit Trust and provisions for contractual payments to unitholders in its constitutive documents.

2.15 Unfunded commitments

The unitholders' unfunded committed capital amounts are not included in the statement of financial position as they represent loan commitments which are not included within the scope of IFRS 9.

2.16 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment Manager. The Unit Trust qualifies as a single-segment entity.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Financial risk management

The Unit Trust's activities expose it to a number of financial risks and the impact of each of these risks to the Unit Trust is described below.

3.1 Market risk

(a) Price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issue or factors affecting similar financial instruments traded in the market.

The Unit Trust's investments are predominantly in private equity vehicles whose valuations are based on the valuation of the underlying companies in which they are invested. The Unit Trust invests in such vehicles in order to take advantage of their potential long-term growth. All investments present a risk of capital loss and the Unit Trust is susceptible to market price risk arising from uncertainties about future values of those investments.

The Unit Trust makes commitments to its investee entities through secondary market transactions and diversifies its investment portfolio across managers, underlying industries and countries. The Investment Manager follows rigorous due diligence processes prior to making an investment recommendation to the Trustee. These recommendations will be based on the Investment Manager's assessment of the potential investee entities' qualitative and quantitative criteria in the areas of financial performance, business strategy and tax and legal compliance. The information gathered is subject to reference checks and considered in light of the Investment Manager's standing data and experience.

The Investment Manager performs continuous monitoring of the portfolio, looking through to the underlying holdings of the investee entities, and uses the information gleaned to make estimates of fair values.

In assessing potential investments the Investment Manager applies the following concentration limits:

- The total interest in any individual private equity fund will not comprise, at the time of acquisition, more than 15% of the net asset value of the Unit Trust (including undrawn commitments); and
- No interest in an individual company, whether acquired directly or as part of a portfolio of fund or direct interests, will comprise more than 7.5% of the net asset value of the Unit Trust (including undrawn commitments).

These limits may be waived with the approval of the Investor Representative Group.

The basis of valuation for the investments is set out in note 2.8. The Trustee has prepared a sensitivity analysis that measures the estimated change to the fair value of the Unit Trust's financial instruments of either an increase or decrease in values of 10% (2021: 10%). Applying this rate to investments at 31 December 2021 would result in an increase or decrease of GBP2,259,735 (2021: GBP2,448,715), assuming that other variables were unchanged.

(b) Currency risk

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

The Unit Trust holds assets denominated in currencies other than Pounds Sterling, the functional currency of the Unit Trust. Consequently it is exposed to currency risk since the value of the assets denominated in other currencies will fluctuate due to changes in exchange rates. The Investment Manager takes foreign currency exposure of underlying entities into account when formulating its investment strategy and the Trustee provides the Investment Manager with details of foreign currency bank balances on a weekly basis to enable monitoring thereof. The Trustee and Investment Manager do not manage the Unit Trust's exposure to foreign exchange movements (both monetary and non-monetary) by entering into foreign exchange hedging transactions.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Financial risk management - continued

3.1 Market risk - continued

The table below summarises the Unit Trust's exposure to currency risk. Included in the table are its assets and liabilities at fair value in Pounds Sterling, categorised by their base currencies:

As at 31 December 2022	GBP	USD	EUR	JPY	Total GBP
Assets					
Cash and cash equivalents	-	687,674	342,874	-	1,030,548
Financial assets at fair value through profit or loss	-	14,377,871	8,204,547	14,934	22,597,352
Other assets	61,302	-	-	-	61,302
Total assets	61,302	15,065,545	8,547,421	14,934	23,689,202
Liabilities					
Current liabilities	(44,252)	-	-	-	(44,252)
Total net assets	17,050	15,065,545	8,547,421	14,934	23,644,950
As at 31 December 2021					
	GBP	USD	EUR	JPY	Total GBP
Assets					
Cash and cash equivalents	409,775	54,953	135,217	-	599,945
Financial assets at fair value through profit or loss	1,356,217	15,233,310	7,882,982	14,646	24,487,155
Other assets	61,528	-	-	-	61,528
Total assets	1,827,520	15,288,263	8,018,199	14,646	25,148,628
Liabilities					
Current liabilities	(223,131)	-	-	-	(223,131)
Total net assets	1,604,389	15,288,263	8,018,199	14,646	24,925,497

Exchange rates to pounds sterling at each year end were as follows:

	31 Dec 2022	31 Dec 2021
US Dollar	1.2083	1.3532
Euro	1.1295	1.1893

The Trustee believes that a reasonable assessment of the potential exposure to foreign exchange rate fluctuation is plus or minus 12% (2021: 12%). Applying this rate to net assets at the year end would result in an increase or decrease therein of GBP2,835,348 (2021: GBP2,798,533), assuming that other variables were unchanged. In order to mitigate as far as possible the adverse effects of currency movements the Trustee and Investment Manager monitor such movements on an ongoing basis.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The vast majority of the Unit Trust's financial instruments are non-interest bearing. This is in line with the Investment Manager's focus of investing in entities which are non-interest bearing. The Unit Trust is therefore not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

Interest income on deposits and interest expense on borrowings may fluctuate in amount, in particular due to changes in interest rates. Interest rate risk in relation to deposits / borrowings is immaterial to the Unit Trust and so sensitivity analysis has not been presented.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Financial risk management - continued**3.2 Credit risk**

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Trustee considers that the Unit Trust has no significant concentration of credit risk.

The Trustee and Investment Manager assess all counterparties, including the Unitholders, before contracting with them. The main area of exposure to credit risk for the Unit Trust is that a Unitholder might default on a capital call but the Trustee considers that the credit risk of the Unit Trust is low as all of the investors are known to the Investment Manager. Additionally, there are clauses in the Unit Trust's Prospectus that provide specific actions that can be taken in the case that a Unitholder defaults from its obligation of disbursement of a call.

Financial assets exposed to credit risk include bank balances and receivables. None of these assets is past due or impaired and it is the opinion of the Trustee that the carrying amounts of these financial assets represent the Unit Trust's maximum credit risk exposure at the end of the financial year. As at 31 December 2022 and 2021 the Unit Trust held cash balances with EFG Private Bank Limited, Jersey Branch whose credit rating is of investment grade, having a Moody's rating of A3 (2021: A1).

3.3 Liquidity risk

The liquidity risk is the risk that the Unit Trust may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

When capital is required to fund the purchase of investments, calls can be made on the portion of the investors' units not yet paid up. As at 31 December 2022, GBP7,181,226 (2021: GBP7,181,226) was available to be called from Unitholders. A maximum of GBP6,111,235 (2021: GBP6,337,986) would be required to fund future capital calls of current investee entities. Any shortfall that arises over the life of the Unit Trust will be paid from existing cash balances and from retentions made on realisation of the investments. Accordingly the Trustee considers that the Unit Trust has no liquidity risk for the foreseeable future.

In the long term it is the Trustee's intent to exit / liquidate the investments in an orderly manner prior to the Unit Trust reaching the end of its ten-year realisation period. Due to the illiquid nature of the investments, however, there is a possibility that management may encounter difficulties in achieving this timescale and, accordingly, there may be grounds for an extension of the life of the Unit Trust.

The Trustee also has the power to borrow, for the general purposes of the Unit Trust, an amount up to 25% per cent of the net asset value of the Unit Trust, including undrawn commitments. Any borrowing shall be made and may be varied on such terms, including terms as to repayment of borrowing and discharge of guarantees and subject to the payment of such fees and the assumption of such liabilities as the Trustee in its absolute discretion may determine.

The Unit Trust had no borrowings outstanding at 31 December 2022 or at 31 December 2021.

The investments held by the Unit Trust are mostly unquoted entities which are considered to be highly illiquid as they are not actively traded. The Trustee and Investment Manager manage this liquidity risk by actively monitoring these underlying investments. Also, by regularly reviewing market developments the Investment Manager can explore and evaluate all potential exit opportunities.

The financial obligations of the Unit Trust are amounts due in respect of investment transactions, accounts payable, borrowings and net assets attributable to Unitholders. The following table represents the undiscounted contractual maturity profile of the Unit Trust's financial assets and liabilities:

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Financial risk management - continued

3.3 Liquidity risk - continued

As at 31 December 2022	< 1 year	1 - 2 years	2 - 5 years	5 + years	Total GBP
Assets					
Cash and cash equivalents	1,030,548	-	-	-	1,030,548
Financial assets at fair value through profit or loss	-	22,597,352	-	-	22,597,352
Other assets	61,302	-	-	-	61,302
Inflow from assets	1,091,850	22,597,352	-	-	23,689,202
Liabilities					
Current liabilities	(44,252)	-	-	-	(44,252)
Outflow from liabilities	(44,252)	-	-	-	(44,252)
As at 31 December 2021					
	< 1 year	1 - 2 years	2 - 5 years	5 + years	Total GBP
Assets					
Cash and cash equivalents	599,945	-	-	-	599,945
Financial assets at fair value through profit or loss	-	24,487,155	-	-	24,487,155
Other assets	61,528	-	-	-	61,528
Inflow from assets	661,473	24,487,155	-	-	25,148,628
Liabilities					
Current liabilities	(223,131)	-	-	-	(223,131)
Outflow from liabilities	(223,131)	-	-	-	(223,131)

In addition to the above undiscounted contractual maturity profile, settlement of any undrawn capital commitments of the Unit Trust and future capital calls made by investee entities would be due on demand. As at 31 December 2022, GBP7,181,226 (2021: GBP7,181,226) was available to be called from Unitholders. A maximum of GBP6,111,235 (2021: GBP6,337,986) would be required to fund future capital calls of current investee entities.

3.4 Capital risk management

The capital of the Unit Trust is represented by the net assets attributable to the Unitholders. The Trustee's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for Unitholders and to maintain a strong capital base to support the development of the investment activities of the Unit Trust. In order to maintain or adjust the capital structure the Trustee may call unfunded commitment from or distribute funds to the Unitholders.

The Trustee monitors capital on the basis of the value of net assets attributable to Unitholders.

4. Critical accounting estimates and judgements

The Unit Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Critical accounting estimates and judgements - continued*(a) Fair value of investments not quoted in an active market*

The fair values of securities that are not quoted in an active market are determined by using valuation techniques, primarily earnings multiples, discounted cash flows and recent comparable transactions. The models used to determine fair values are validated and periodically reviewed by the Trustee. The inputs in the earnings multiples models include observable data, such as earnings multiples of comparable entities to the relevant portfolio entity, and unobservable data, such as forecast earnings for the portfolio entity.

In discounted cash flow models, unobservable inputs are the projected cash flows of the relevant portfolio company and the risk premium for liquidity and credit risk that are incorporated into the discount rate. However, the discount rates used for valuing equity securities are determined based on historic equity returns for other entities operating in the same industry for which market returns are observable. Management uses models to adjust the observed equity returns to reflect the actual debt/equity financing structure of the valued equity investment. Models are calibrated by back-testing to actual results/exit prices achieved to ensure that outputs are reliable.

(b) Fair value of investments in other funds

The fair value of investments in Investee Funds that are not quoted in an active market is primarily based on the latest available financial information provided by those entities. The Investment Manager, as instructed by the Trustee, reviews that information and may make adjustments to the reported NAV based on considerations such as:

- The valuation of the Investee Fund's underlying investments;
- The date applicable to the net asset value NAV provided;
- Flows of cash by way of calls and distributions since the latest valuation date; and
- The basis of accounting and, in instances where the basis of accounting is other than fair value, details of the valuation techniques employed by the Investee Fund. If necessary, adjustments to the NAV are made to obtain the best estimate of fair value. Changes in fair value of the Investment Fund from one reporting period to the next are dealt with in the statement of comprehensive income.

The models used to determine fair value are validated and periodically reviewed by the Investment Manager. Carrying values assigned to Investee Funds may be significantly different to the values ultimately realised on a divestment via a secondary market sale.

(c) Functional currency

The Trustee considers Pounds Sterling to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Pounds Sterling is the currency in which the Unit Trust measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors.

(d) Investment entity status

In determining the Unit Trust's status as an investment entity in accordance with IFRS 10, the Trustee considered the following:

- The Unit Trust has raised the commitments from a number of investors in order to raise capital to investment in private equity investments and to provide the investors management services with respect to these private equity investments;
- The Unit Trust intends to generate capital and income returns from its private equity investments which will, in turn, be distributed in accordance with the Declaration of Trust to the Unitholders; and
- The Unit Trust evaluates its private equity investments' performance on a fair value basis, in accordance with the policies set out in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Critical accounting estimates and judgements - continued*(d) Investment entity status*

Although the Unit Trust met all three defining criteria, the Trustee has also assessed the business purpose of the Unit Trust, the investment strategies for the private equity investments, the nature of any earnings from the private equity investments and the fair value models. The Trustee made this assessment in order to determine whether any additional areas of judgement exist with respect to the typical characteristics of an investment entity versus those of the Unit Trust.

5. Fair value estimation

Effective 1 January 2013, the Unit Trust adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. This requires the Unit Trust to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

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 Trustee and Investment Manager who consider observable data to be 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.

As at 31 December 2022, 100% (2021: 100%) of financial assets at fair value through profit or loss comprise investments in investee entities that have been fair valued in accordance with the policies set out in note 2.8 c. Other than for those entities that are publicly traded an exit can only be made by the Unit Trust prior to maturity through a sale of its investment and commitment in an investee entity through a secondary market. As a result, the carrying values of the investee entities may be significantly different from the values ultimately realised on an exit via a secondary market sale.

It is the Unit Trust's objective to acquire investments by way of mature private equity interests and to subsequently realise profits on such interests over the intended realisation period of the Unit Trust of ten years or less.

Other than for those publicly traded, all of the investee entities in the portfolio are managed by investment managers who are compensated by the respective investee entities for their services. Such compensation generally consists of a commitment / investment based management fee and a performance based incentive fee which is accounted for at an underlying investee entity level. Such compensation is reflected in the valuation of the Unit Trust's investment in each of the investee entities.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Fair value estimation - continued

The fair values of those investee entities that are not traded on an active market are determined using valuation techniques. The value is primarily based on the latest available financial / capital account statement of the investee entities. The Unit Trust may make adjustments to the value based on considerations such as the underlying investments of the investee entities, the value date of the net asset value provided, cash flows since the last value date, geographical and sector exposures, market movements and the basis of accounting of the underlying investee entities.

The following table analyses within the fair value hierarchy the Unit Trust's financial assets (by class) at 31 December 2022 and 31 December 2021:

At 31 December 2022

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Financial assets at fair value through profit or loss	-	-	22,597,352	22,597,352

At 31 December 2021

	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Financial assets at fair value through profit or loss	-	-	24,487,155	24,487,155

Investments whose values are based simply on quoted market prices in active markets are classified within level 1. At 31 December 2022 and 2021 it was the opinion of the Trustee that none of the Unit Trust's investments fell into this category.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs would be classified within level 2. As level 2 investments include positions that are not traded in active markets, and/or are subject to transfer restrictions, valuations are discounted to reflect illiquidity and/or non-transferability, which are generally based on available market information. At 31 December 2022 and 2021 it was the opinion of the Trustee that none of the Unit Trust's investments fell into this category.

Investments classified within level 3 have significant unobservable inputs as they trade infrequently. As observable prices are not available for these securities the Investment Manager has used valuation techniques to derive the fair value. At 31 December 2022 and 2021 it was the opinion of the Trustee that all of the Unit Trust's investments fell into this category.

Level 3 is comprised of investee entities held by the Unit Trust that are not quoted in active markets. In determining the fair value of its investee entities the Investment Manager relies on valuations as reported in the latest available financial statements and / or capital account statements provided by the investee entities unless there are valid reasons why such valuations may not be the best approximation of fair value. In such cases the Investment Manager would assign a fair value to such investments which differ from that reported by the investee entities. These differences may arise because of a number of reasons including, but not limited to:

- The report received from the investee entity may not be coterminous with the Unit Trust's reporting date;
- The report received from the investee entity may be based on principles that are not aligned with the fair value principles adopted by the Unit Trust; and
- The Investment Manager of the Unit Trust may have access to other observable or unobservable data that would indicate that amendments are required to particular portfolio company investment fair values presented in the reports from the investee entity.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Fair value estimation - continued

The Investment Manager is responsible for monitoring the performance of the underlying investee entities and reporting such performance to the Trustee. Where the information provided by an investee entity is not considered appropriate by the Investment Manager and Trustee, the Investment Manager will make amendments to the net asset value obtained as above in order to recommend a carrying value that more appropriately reflects the fair value at the Unit Trust's reporting date. The Trustee receives such recommendations from the Investment Manager and is responsible for approving the final valuation of the investee entities.

In determining the continued appropriateness of the chosen valuation technique the Trustee performs back-testing to ascertain the appropriateness of the fair value determined by reference to the capital account statements for the reporting date of the Unit Trust (where the capital account statements used previously was not coterminous with the year end of the Unit Trust), to the financial statements of the underlying investee entity (where the financial statements are coterminous) or to the actual realisation proceeds achieved by the investee entity when it disposes of its underlying portfolio entity investments.

The following table presents a summary of the dates of the most recent net asset valuations of level 3 investments at the time of preparation of the financial statements.

	2022	2021
	GBP	GBP
30 June 2020 valuations	-	115,743
30 September 2020 valuations	-	172,178
31 December 2020 valuations	-	227,467
31 March 2021 valuations	-	29,548
30 June 2021 valuations	-	1,754,316
30 September 2021 valuations	-	16,321,571
31 December 2021 valuations	204,661	5,866,332
31 March 2022 valuations	34,452	-
30 June 2022 valuations	1,289,212	-
30 September 2022 valuations	16,954,358	-
31 December 2022 valuations	4,114,669	-
	<u>22,597,352</u>	<u>24,487,155</u>

The table below presents those investee entities whose fair values are recognised in whole or in part using valuation techniques (based on assumptions that are not supported by prices or other inputs from observable current market transactions). The unobservable inputs which significantly impact the fair value have been presented above. The NAV reflects input, being the values advised by the investee entities, and the fair value adjustments also reflect the input, being the adjustments made by the Trustee on advice from the Investment Manager.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Fair value estimation - continued

Investment type	Fair value at 31 December 2022 (GBP000's)	Valuation technique	Unobservable inputs	Weighted average input	Reasonable possible shift	
					+/- Change in (absolute valuation +/- value) (GBP000's)	
Fund	18,686	Adjusted NAV Market	NAV	N/A	10%	1,868
Direct investments	3,911	comparable companies	Earnings multiples	N/A	10%	391

The changes in investments measured at fair value for which the Unit Trust has used level 3 inputs to determine fair value are as follows:

2022	Investee entities - private equity	Investee entities - debt	Investee entities - total
	GBP	GBP	GBP
Opening fair value	24,487,155	-	24,487,155
Disposals / distributions	(942,460)	-	(942,460)
Net realised gains arising from distributions receivable	653,292	-	653,292
Net unrealised loss arising on revaluation	(1,600,635)	-	(1,600,635)
Closing fair value	<u>22,597,352</u>	<u>-</u>	<u>22,597,352</u>
2021	Investee entities - equity	Investee entities - debt	Investee entities - Total
	GBP	GBP	GBP
Opening fair value	30,857,667	-	30,857,667
Acquisitions / calls made	66,145	-	66,145
Disposals / distributions	(10,436,419)	-	(10,436,419)
Net realised gains arising from distributions receivable	5,242,650	-	5,242,650
Net unrealised loss arising on revaluation	(1,242,888)	-	(1,242,888)
Closing fair value	<u>24,487,155</u>	<u>-</u>	<u>24,487,155</u>

There were no transfers between levels during the year ended 31 December 2022 (2021: none). Such transfers are deemed to occur at the beginning of the pertinent reporting period.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Financial assets at fair value through profit or loss

At 31 December 2022	Fund investments GBP	Direct investments GBP	Total investments GBP
Fair value			
Opening fair value	19,529,763	4,957,392	24,487,155
Distributions / disposals	(942,460)	-	(942,460)
Net realised gains / (losses) arising from distributions / disposals	653,292	-	653,292
Net movement on revaluation	(554,315)	(1,046,320)	(1,600,635)
Closing fair value	<u>18,686,280</u>	<u>3,911,072</u>	<u>22,597,352</u>
Cost			
Opening cost	32,506,089	1,111,794	33,617,883
Return of cost from distributions / disposals / write offs	-	-	-
	(289,168)	-	(289,168)
Closing cost	<u>32,216,921</u>	<u>1,111,794</u>	<u>33,328,715</u>
At 31 December 2021			
Fair value			
Opening fair value	26,421,439	4,436,228	30,857,667
Acquisitions / calls made	66,145	-	66,145
Distributions / disposals	(10,436,419)	-	(10,436,419)
Net realised gains / (losses) arising from	5,242,650	-	5,242,650
Net movement on revaluation	(1,764,052)	521,164	(1,242,888)
Closing fair value	<u>19,529,763</u>	<u>4,957,392</u>	<u>24,487,155</u>
Cost			
Opening cost	37,633,714	1,111,794	38,745,508
Acquisitions / calls	66,145	-	66,145
Return of cost from distributions / disposals / write offs	-	-	-
	(5,193,770)	-	(5,193,770)
Closing cost	<u>32,506,089</u>	<u>1,111,794</u>	<u>33,617,883</u>

At 31 December 2022 a maximum amount of GBP6,111,235 would be required to fund outstanding capital calls of current investments (2021 GBP6,337,986).

Net gain / (loss) on financial assets at fair value through profit or loss

	2022 GBP	2021 GBP
Net realised gain	653,292	5,242,650
Net movement on revaluation	(1,600,635)	(1,242,888)
	<u>(947,343)</u>	<u>3,999,762</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Receivables

	2022	2021
	GBP	GBP
Related party receivable		
Hollyport Secondary Opportunities IV GP Limited	61,302	61,528
	<u>61,302</u>	<u>61,528</u>

8. Cash and cash equivalents

For the purposes of the statement of cash flows the year end cash and cash equivalents comprise :-

	2022	2021
	GBP	GBP
Cash at bank	1,030,548	599,945
	<u>1,030,548</u>	<u>599,945</u>

9. Payables

	2022	2021
	GBP	GBP
Related party payables		
Hollyport Secondary Opportunities IV LP	949	840
Unitholders in respect of distributions	-	126,769
Other		
Legal and professional fees	15,751	17,522
Audit fees	27,553	56,446
Administration fees	-	21,554
	<u>44,252</u>	<u>223,131</u>

Settlement of the above is expected within three months of the year end.

10. Unitholders' equity

	2022	2021
	GBP	GBP
Number of units in issue		
A units of GBP 1 each	-	-
B units of GBP 1 each	499,900	499,900
C units of GBP 1 each	10,000	10,000
LP units of GBP1 each	25,000,000	25,000,000
	<u>25,509,900</u>	<u>25,509,900</u>
	2022	2021
	GBP	GBP
Paid up amounts per unit		
A units - 76.25% paid up (2021 : 76.25%)	37,736,201	37,736,201
B units - 76.25% paid up (2021 : 76.25%)	381,174	381,174
C units - 100% paid up (2021 : 100%)	10,000	10,000
LP units - 71.75% paid up (2021: 71.75%)	17,937,500	17,937,500
	<u>56,064,875</u>	<u>56,064,875</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Unitholders' equity - continued

Net assets per unit	2022	2021
	Pence	Pence
A units	-	-
B units	2,675.75	2,841.64
C units	23,604.81	25,068.26
LP units	<u>31.63</u>	<u>32.85</u>
	GBP	GBP
Net assets attributable to unitholders	<u>23,644,950</u>	<u>24,925,497</u>

The A units were listed up to their cancellation in September 2018 and the B units are listed on The International Stock Exchange.

All unit classes in issue rank pari passu in their entitlement to participate in the net assets of the Unit Trust except that investment management fees payable are solely for the account of the A, B and C unit classes. Also, the rights of each unit class to receive distributions vary – see note 2.11.

Reconciliation of net assets attributable to Unitholders

	2022	2021
	GBP	GBP
Capital committed	56,064,875	56,064,875
Distributions	(96,699,808)	(96,699,808)
Net realised gains	80,601,677	79,530,419
Net movement on revaluation of investments	(10,731,362)	(8,712,762)
Accumulated excess of expenses over income	<u>(5,590,432)</u>	<u>(5,257,227)</u>
Net assets attributable to Unitholders	<u>23,644,950</u>	<u>24,925,497</u>

11. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Unitholding of the Investment Manager's personnel

At 31 December 2022 and 31 December 2021 the directors and employees of the Investment Manager held the following units beneficially:

	2022	2021
	GBP	GBP
Nil A units (2021: Nil)	-	-
8,315 B units (2021: 8,315)	222,488	236,282
6,543 C units (2021: 6,543)	<u>1,544,463</u>	<u>1,640,216</u>
	<u>1,766,951</u>	<u>1,876,498</u>

There have been no changes in these unitholdings up to the date of signing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Related party transactions - continued

Investment management fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to an annual management fee calculated as 1.5% of total Commitments for Investor Units during the Investment Period. Thereafter the fee will reduce to 1.5% of the investor Net Asset Value of the Unit Trust at the preceding year end. During the current year investment management fees payable to Hollyport Capital LLP totalled GBP249,058 (2021: GBP326,231), none of which was outstanding at 31 December 2022 (2021: GBPnil).

Trustee fees

During the year fees payable to EFG Fund Administration Limited, the Trustee, amounted to GBP124,703 (2021: GBP127,028), of which GBP Nil was outstanding at 31 December 2022 (2021: GBP21,612).

EFG Fund Administration Limited's annual charge for the provision of administrative services to Hollyport Secondary Opportunities IV L.P., of GBP35,680 are included in the administration fee expense (2021: GBP42,238) of which GBP Nil was outstanding at 31 December 2022 (2021: GBP8,446).

Expenses borne by Unit Trust on behalf of the LP

During the year, expenses borne by Unit Trust on behalf of the LP, amounted to:

	2022	2021
	GBP	GBP
Administration fees	35,680	42,238
Audit fees	10,058	8,280
Bank charges	-	840
	<u>45,738</u>	<u>51,358</u>

12. Ultimate controlling party

It is the opinion of the Trustee that no ultimate controlling party exists.

13. Subsequent events

The Trustee has evaluated the subsequent events from the date of the financial statements through to the date the financial statements were available to be issued. There were no subsequent events identified which required accrual or disclosure in these financial statements.