THE GLOBAL DIVERSIFICATION FUND - MULTI-MANAGER DYNAMIC EMERGING EQUITY INVESTMENT FUND

Audited Financial Statements for the year ended 31 December 2022

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GENERAL INFORMATION

The following information is derived from and should be read in conjunction with the Prospectus as amended on 18 April 2020.

The Global Diversification Fund (the “Trust”) was established on 24 September 2009 under the laws of Jersey, Channel Islands by the Trust Instrument between, State Street Fund Services (Jersey) Limited (manager of the Fund up to 22 June 2017) and State Street Custodial Services (Jersey) Limited (the “Trustee”). The Trust has been authorised under the terms of which a number of individual funds may be established to which differing investment policies may be applied.

The Multi-Manager Dynamic Emerging Equity Investment Fund (the ″Fund″) was established on 16 December 2011 and was authorised by the Jersey Financial Services Commission under the Collective Investment Funds (Jersey) Law 1988 (the ″CIF Law″).

With effect from 23 June 2017 Carne Global AIFM Solutions (C.I.) Limited (the “Manager”) replaced State Street Fund Services (Jersey) Limited as the Manager of the Fund.

On 15 March 2018 all issued Units in the Multi Manager Dynamic Emerging Equity Investment Fund were listed on The International Stock Exchange (″TISE″).

The decision to list was based on the investor preference that they invest in a listed vehicle. The majority of investors in the Global Diversification Fund (″GDF″) had been interested in listing the units in order to provide more substance to their investments by providing additional layer of governance in the respective jurisdiction.

GDF’s are open-ended funds – they are open to an unlimited number of institutional investors.

INVESTMENT OBJECTIVE

The investment objective of the Fund is to seek to achieve long-term out-performance of the MSCI Emerging Markets Index (in US Dollars) by operating as a fund of funds and primarily investing its assets in various underlying funds investing in equities.

PRICES

The prices for buying and selling Redeemable Participating Units in the Fund are calculated by reference to the Net Asset Value per Redeemable Participating Unit. The issue price is calculated by reference to the Net Asset Value of each Redeemable Participating Unit on the relevant valuation point and rounded upwards to the nearest whole cent. The sales charge, if any, to be paid per Redeemable Participating Unit shall be calculated as a percentage of the issue price at a rate determined in its discretion by the Manager or its duly authorised agent not exceeding 3%. The redemption price payable on redemption of Redeemable Participating Units is calculated by reference to the Net Asset Value of each Redeemable Participating Unit on the relevant valuation point less an adjustment to round the resulting amount down to the nearest whole cent. Additionally, an appropriate provision for duties and charges may be taken into account in calculating the issue price and redemption price.

DEALING

The dealing day shall be the Wednesday of each week and the first business day after each calendar month end or such other or additional days from time to time as determined by the Manager. Applications for the issue of Redeemable Participating Units must be received by the Manager before 12 noon (Jersey time) on the business day immediately preceding the relevant dealing day on which Redeemable Participating Units are to be issued. Redemption requests must be received by the Manager prior to 12 noon (Jersey time) on the business day immediately preceding the dealing day on which Redeemable Participating Units are to be redeemed.

GENERAL INFORMATION (continued)

DISTRIBUTIONS TO UNITHOLDERS

The Manager will determine semi-annually if and to what extent distributions will be made out of net income and, if considered appropriate, out of net realised capital gains and net unrealised capital gains. The distributions shall be paid semi-annually in March and September each year.

STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND TRUSTEE

1. Manager

The Manager is responsible for the preparation of the financial statements for each financial year which give a true and fair view of the state of affairs of the Fund at the end of the year and of its total return for that year. The Manager has elected to prepare the financial statements in accordance with the Financial Reporting Standard 102 “Financial Reporting” (“FRS 102”); the Financial Reporting Standard applicable in the United Kingdom (“UK”) and Republic of Ireland.

In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK and Republic of Ireland accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The Manager is also required to manage the Fund in accordance with the Trust Instrument, maintain proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements comply with the Trust Instrument and generally accepted accounting principles.

2. Trustee

The Trustee is responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and for ensuring the Fund has been managed, in all material respects:

- in accordance with the limitations imposed on the investment and borrowing powers of the Manager and Trustee in the Trust Instrument, by the scheme particulars and by all regulations for the time being in force; and
- otherwise in accordance with the provisions of the Trust Instrument and those regulations.

THE GLOBAL DIVERSIFICATION FUND - MULTI-MANAGER DYNAMIC EMERGING EQUITY INVESTMENT FUND (in termination)

TRUSTEE REPORT TO THE REDEEMABLE PARTICIPATING UNITHOLDERS OF MULTI-MANAGER DYNAMIC EMERGING EQUITY INVESTMENT FUND

We have enquired into the conduct of Carne Global AIFM Solutions (C.I.) Limited in the management of the Fund for the year ended 31 December 2022, in our capacity as Trustee.

In our opinion the Fund has been managed in that year in all material respects:

(a) in accordance with the limitations imposed on the investment and borrowing powers of the Manager and Trustee by the Trust Instrument, by the scheme particulars and by all regulations for the time being in force; and

(b) otherwise in accordance with the provisions of the Trust Instrument and those regulations.

State Street Custodial Services (Jersey) Limited
Lime Grove House
Green Street
St. Helier
Jersey JE1 2ST
Channel Islands

Date: 2 June 2023

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Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

Independent auditor's report to the Redeemable Participating Unitholders of The Global Diversification Fund – Multi-Manager Dynamic Emerging Equity Investment Fund

Report on the audit of the financial statements

Opinion on the financial statements of The Global Diversification Fund – Multi-Manager Dynamic Emerging Equity Investment Fund (the 'Fund')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Fund as at 31 December 2022 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework.

The financial statements we have audited comprise:

- the Statement of Total Return;
- the Statement of Changes in Nets Assets Attributable to Redeemable Participating Unitholders;
- the Balance Sheet;
- the related notes 1 to 22, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the financial statements FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

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

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of Financial Assets at Fair Value Through Profit or Loss; and • Existence of Financial Assets at Fair Value Through Profit or Loss
Materiality	The materiality that we used in the current financial period was 1% of the average net asset value attributable to the Redeemable Participating Unitholders (the 'NAV').
Scoping	We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined.

Conclusions relating to going concern

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

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

- We challenged the reasonableness of the key assumptions applied by the Manager in their assessment;
- We held discussions with the Manager on the going concern assessment, the future plans for the fund and the feasibility of those plans;
- We reviewed all board meeting minutes during the year up to the date of approval of the financial statements, for evidence of any discussions and/or decisions that could impact the fund's ability to continue as a going concern;
- We reviewed the composition of the investment portfolio subsequent to the financial year end; and
- We evaluated the adequacy of the relevant going concern disclosures made in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund'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 Manager with respect to going concern are described in the relevant sections of this report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Valuation of Financial Assets at Fair Value Through Profit or Loss	
Key audit matter description	As at 31 December 2022 the Financial Assets at Fair Value Through Profit or Loss of $411,575,176 make up approximately 86.3% of the Fund's total assets of $476,874,876. The valuation of financial assets at fair value through profit or loss is considered a key audit matter as financial assets at fair value through profit or loss represents a significant balance on the Balance Sheet. There is a risk that financial assets and liabilities at fair value through profit or loss are valued incorrectly as a result of incorrect Net Asset Values ("NAVs") from the underlying administrators which could result in the valuation being materially misstated. Refer also to note 1 and 2 in the financial statements.
How the scope of our audit responded to the key audit matter	We have performed the following procedures: • We obtained an understanding and evaluated the key controls that have been implemented over the valuation process for financial assets at fair value through profit or loss. • We independently confirmed the NAVs of the underlying Collective Investment Schemes ("CIS") with the underlying administrator and reviewed the latest audited financial statements available. • Where 2022 audited financials where not available we reviewed the prior year audited financial statements of the underlying funds.

Existence of Financial Assets at Fair Value Through Profit or Loss	
Key audit matter description	As at 31 December 2022 the Financial Assets at Fair Value Through Profit or Loss of $411,575,176 make up approximately 86.3% of the Fund's total assets of $476,874,876. The existence of financial assets at fair value through profit or loss is considered a key audit matter as financial assets at fair value through profit or loss represents a significant balance on the Balance Sheet. There is a risk that financial assets and liabilities at fair value through profit or loss are materially misstated due to errors that may occur in the recording of the number of units held by the fund. Refer also to note 1 and 2 in the financial statements.
How the scope of our audit responded to the key audit matter	We have performed the following procedures: • We obtained an understanding and evaluated the key controls that have been implemented over the reconciliation process for financial assets at fair value through profit or loss from the administrator or underlying CIS. • We obtained independent confirmations from the underlying CIS administrators at the financial year end and agreed the amounts held to the investment portfolio. • We investigated any reconciling items between the independent confirmations and the investment portfolio.

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Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

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

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

Basis for determining materiality	1% of average net assets
Rationale for the benchmark applied	The Net Asset Value of the Fund is the primary indicator of the size and performance of the Fund and is considered the key area of interest for the unitholders, who are the primary users of the annual accounts. The use of the Average Net Asset Value is considered the industry practice benchmark for Investment Funds.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 80% of materiality for the 2022 audit. In determining performance materiality, we considered the following factors:

- our understanding of the fund;
- the quality of the control environment;
- the nature and extent of misstatements identified in previous audits; and
- our expectations in relation to misstatements in the current period.

We agreed with the Manager that we would report to the Manager all audit differences in excess of 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Manager on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit is a risk based approach taking into account the structure of the Fund, types of financial assets, the involvement of the third party service providers, the accounting processes and controls in place, and the industry in which the Fund operates.

We have conducted our audit based on the books and records maintained by the Fund. We focused our audit scope, and the extent of our testing, based on our assessment of the risks of material misstatement and of the materiality determined. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

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Other information

The other information comprises the information included in the Annual report, other than the financial statements and our auditor’s report thereon. The Manager is responsible for the other information contained within the Annual report.

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.

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 Manager

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

In preparing the financial statements, the Manager are responsible for assessing the Fund’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 Manager either intend to liquidate the Fund or to cease operations, or have 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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA’s website at: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/. This description forms part of our auditor’s report.

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

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

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Identifying and assessing potential risks related to irregularities

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

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

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: Valuation of Investments and Revenue Recognition. In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Fund operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Listing Rules, the Applicable Regulations tax legislation.

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

Audit response to risks identified

As a result of performing the above, we identified 'Valuation of Investments' as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Manager concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- In addressing the risk of fraud in Revenue Recognition, independently valuing all securities using our own market feeds and completing an unrealised gain/loss reconciliation.

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- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Fund and its environment obtained in the course of the audit, we have not identified material misstatements in the the Manager's report.

Use of our report

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

Darren Griffen
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2
6 June 2023

Note: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the annual accounts since first published. These matters are the responsibility of the Manager but no control procedures can provide absolute assurance in this area.

Legislation in Ireland governing the preparation and dissemination of annual accounts differs from legislation in other jurisdictions.

Statement of Total Return

	Notes	US$	Year ended 31/12/22 US$	US$	Year ended 31/12/21 US$
Net capital (loss)/gain on investments	9		(103,282,031)		9,097,551
Other net gains	10		66,357		53,447
Revenue	11	1,620,728		167,224	
Expenses	12	(1,876,556)		(2,287,538)	
Net revenue before taxation		(255,828)		(2,120,314)	
Taxation	4	(284,912)		(39,705)	
Net revenue after taxation			(540,740)		(2,160,019)
Total return before distributions			(103,756,414)		6,990,979
Distributions	7		(5,800,000)		(9,800,000)
Change in net assets attributable to Unitholders			(109,556,414)		(2,809,021)

In arriving at the results for the year, all amounts in the Statement of Total Return relate to continuing activities.

Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders

	US$	Year ended 31/12/22 US$	US$	Year ended 31/12/21 US$
Total Net Assets attributable to Redeemable Participating Unitholders at the start of the year		485,944,604		488,753,625
Movement due to sales and repurchase of Units:				
Amounts receivable on creation of Units	100,000,000		-	
Amounts payable on redemption of Units	-		-	
		100,000,000		-
Change in net assets attributable to Unitholders		(109,556,414)		(2,809,021)
Total Net Assets attributable to Redeemable Participating Unitholders at the end of the year		476,388,190		485,944,604

The Notes on pages 14 to 28 form an integral part of these Financial Statements.

Balance Sheet

	Notes	31/12/22 US$	31/12/21 US$
Assets			
Fair value of investments	8	411,575,176	484,710,806
Cash and bank balances	13	65,299,700	1,792,350
Total Assets		476,874,876	486,503,156
Liabilities			
Creditors - amounts falling due within one year	14	(486,686)	(558,552)
Total Liabilities (excluding net assets attributable to Redeemable Participating Unitholders)		(486,686)	(558,552)
Total Net Assets attributable to Redeemable Participating Unitholders		476,388,190	485,944,604

The financial statements on pages 12 to 28 were approved by the Manager, Carne Global AIFM Solutions (C.I.) Limited on 2 June 2023 and signed on its behalf by:

....**Authorised Signatory**

....**Authorised Signatory**

Analysis of Total Assets (unaudited)

	% of Total Assets
Collective Investment Schemes	86.31
Current assets	13.69
	100.00

The Notes on pages 14 to 28 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2022

1. Significant accounting policies

a) Basis of preparation of financial statements

Statement of Compliance

These financial statements have been prepared in accordance with the Financial Reporting Standard 102 "Financial Reporting" ("FRS 102"); the Financial Reporting Standard applicable in the UK and Republic of Ireland and certain elements of the Statement of Recommended Practice (the "SORP") – Financial Statements of Authorised Funds, issued by the Investment Management Association ("IMA") in May 2014.

The financial statements are not required to comply with the SORP. The Manager has chosen to comply with most of the provisions of the SORP as this represents best accounting practice and reflects the nature of the Fund's investment business. The financial statements depart from the SORP in that they do not include an Investment Adviser's Report and Investment Portfolio since the Investment Adviser reports to the Redeemable Participating Unitholders on a regular basis and it is not cost effective to duplicate this work.

The financial statements also depart from the SORP in that they do not include transaction costs disclosures. Due to operational challenges in extracting the transaction costs on the purchase and sale of open forward foreign currency exchange contracts, open futures contracts, credit default swaps and swaptions, transaction costs on these instruments cannot be separately identified.

The financial statements also depart from the SORP in that they do not include reconciliation of net distribution for the year to net revenue after tax and they do not include disclosure of the exposure to each derivative counterparty and the nature of collaterals held or pledged in respect of those positions.

Furthermore and for consistency reasons, the financial statements depart from the SORP in that they do not include details of major purchases and sales of investments, five year net asset per Unit tables, total expense ratios, dividend table, detail about investment and borrowing powers, comparative table, risk disclosures pertaining to the weighted average interest rate of fixed rate instruments and the weighted average period for which interest rates are fixed.

The format and wording of certain line items on the primary statements contains departures from the SORP to reflect this Fund's structure as an Investment Fund.

As allowed under FRS 102 Section 11.2 the Fund has adopted the provisions of International Financial Reporting Standard 9 "Financial Instruments" ("IFRS 9") and International Accounting Standard 39 ″Financial Instruments″ (″IAS 39″) relating to recognition and measurement of financial instruments.

The Fund has only adopted the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments. The fair valuation input utilised by the Fund is the last traded market price or the latest available net assets value for investments in collective investment schemes. The Fund departs from the SORP in that the use of the last traded market price or the latest available net assets value is not in accordance with the SORP which states the fair value of long positions should be the quoted bid price. The use of the last traded market price or the latest available net assets value is however in accordance with the pricing requirements of the Prospectus.

All references to net assets throughout the document refers to net assets attributable to holders of Redeemable Participating Units unless otherwise stated.

b) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the inclusion of financial instruments at fair value. The financial statements are prepared in US Dollars (US$).

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

1. Significant accounting policies (continued)

c) Income and expenses recognition

Investment income is recognised on an accruals basis. Income which suffers a deduction of tax at source is shown gross of withholding tax.

Dividend income arising from investments is recognised when the right to receive payment is established, normally the ex-dividend date.

Expenses are accounted for on an accruals basis.

d) Net capital gains and losses on investments

Realised gains and losses on sales of investments are calculated based on the difference between the average historical cost of the investment in local currency and the sales proceeds. Total realised and unrealised gains and losses on investments reflecting changes in the fair value of investments held during the year together with any profit or loss on disposal are included in net capital gains or losses on investments in the Statement of Total Return.

Derivatives or forward contracts are used for efficient portfolio management. Where such financial instruments are used to protect or enhance capital, the realised gains and losses on settled contracts and unrealised gains and losses on open contracts derived therefrom are included in other net gains or losses in the Statement of Total Return.

e) Fair value of investments

The Fund values its investments in accordance with IFRS 9 as described below:

Collective investment schemes - investments in collective investment schemes are valued at the year end date on the basis of the latest available net asset value per unit in such schemes. Investment schemes listed on a recognised stock exchange or other regulated market are valued at the current last traded market price on the stock exchange or market which constitutes the principal market for such scheme. Unlisted investments are valued based on the latest available net asset value for the shares or units obtained from the relevant administrator. The last traded market price or the latest available net asset value constitute the fair value. Changes in fair value are recognised as unrealised gains or losses and are included in net capital gain or loss on investments in the Statement of Total Return. Realised gains or losses, being the difference between the investment's cost price and the sales price, are recognised as net capital gain or loss on investments in the Statement of Total Return.

Recognition/Derecognition - purchases and sales of investments are recognised on trade date i.e. the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

f) Foreign exchange

Foreign currency assets and liabilities, including investments, are translated into US Dollars at the closing exchange rate on the last business day of the Fund's financial year. The foreign exchange gain or loss based on the translation of the original cost of the investments is included in net capital gains or losses on investments in the Statement of Total Return, the gain or loss arising on the translation of other monetary assets and liabilities, is included in other net gains or losses in the Statement of Total Return.

Foreign currency transactions are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

1. Significant accounting policies (continued)

f) Foreign exchange (continued)

Foreign exchange gains and losses arising between the transaction and settlement dates on purchases or sales of foreign currency denominated securities and financial derivative instruments are included in other net gains or losses in the Statement of Total Return.

g) Going concern

The Fund invests in open-ended fund structures, the strategies of which require these structures to invest in actively traded listed securities and bonds with limited restrictions not to invest in investments, which are not readily marketable.

The Manager believes that the underlying structures can arrange liquidity in a short time to meet any of the Fund's redemption requests.

The Fund can redeem its invested units in these structures, on a weekly basis based on prices received by the administrators of these structures per dealing days therefore the Fund's investments are frequently traded and liquid.

Even in the presence of any redemption restrictions in the underlying structures on any particular ealing day, the Fund can still redeem its invested units up to a certain percentages of the total NAV of the underlying structures at any dealing day.

Furthermore, the Manager is comfortable with the redemption terms and the ability to meet Unitholders redemptions in a timely manner. The Manager has powers under the trust instrument to be able to defer any large redemption requests for a certain time period in order to give the investment advisor time to raise sufficient cash.

The Manager is also monitoring the level of potential redemptions or redemptions instructed by the investors and provides regular updates and has regular meetings with the Redeemable Participating Unitholders to keep a track of any on-going issues which might affect the continuation of the Fund.

The Manager will always maintain sufficient cash to meet its expenses requirement which are not material.

As a consequence, the Manager believes that the Fund is well placed to meet any obligations, which are primarily the redemption requirements, that might fall due should there be insufficient cash available at that time.

After reviewing all available information, the Manager has formed a judgment at the time of approving the financial statements, that there is a reasonable expectation that the Fund has adequate financial resources to continue in operational existence for the foreseeable future, being at least 12 months from the approval of the financial statements. Accordingly, the Manager continues to adopt the going concern basis of accounting in preparing the financial statements.

h) Cash flow

The Fund qualifies for an exemption from the need to prepare a Statement of Cash Flows as it meets the following conditions:

(i) substantially all of the entity's investments are relatively liquid;
(ii) substantially all of the investments are carried forward at fair value; and
(iii) the entity provides a Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders.

The Fund has availed of the exemption available to open-ended investment funds under FRS 102 Section 7.1A and is not presenting a Statement of Cash Flows.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

1. Significant accounting policies (continued)

i) Redeemable Participating Units

The Redeemable Participating Units are redeemable at the unitholder's option and are classified as financial liabilities.

j) Distributions

Distributions on Redeemable Participating Units are disclosed in the Statement of Total Return. Distributions are calculated in line with the Prospectus and are discretionary in nature and as such do not constitute a contracted obligation.

2. Fair value hierarchy

The SORP requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities. The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

The fair value hierarchy as required under the SORP is based on the valuation inputs used to fair value the financial assets and liabilities and consideration of the market activity for each individual financial asset and liability. The definition for Levels 1, 2 and 3 are set out below.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement was categorised in its entirety was determined on the basis of the lowest level input that was significant to the fair value measurement in its entirety. For this purpose, the significance of an input was assessed against the fair value measurement in its entirety. If a fair value measurement used observable inputs that required significant adjustment based on unobservable inputs, that measurement was at Level 3. Assessing the significance of a particular input to the fair value measurement in its entirety required judgment, considering factors specific to the asset or liability. The determination of what constituted "observable" required significant judgment by the Manager.

The Manager considered observable data to be that market data which was readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Critical accounting estimates and accounting judgments

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The significant estimates, assumptions and accounting judgments that are material to the financial statements are outlined in the following tables.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

2. Fair value hierarchy (continued)

Critical accounting estimates and accounting judgments (continued)
Based on the definitions for the fair value hierarchy levels above, equities and collective investment schemes with quoted prices in an active market are deemed Level 1. The Fair value of investments held in unquoted collective investment schemes are derived from the underlying net asset value 'NAV' of the investments which are generally determined under accounting principles of their respective jurisdiction. Such unquoted collective investment schemes are classified as Level 2 as they are regularly traded and their underlying investments are predominately in listed equites or quoted fixed income investments which are indirectly observable prices included in the NAV. Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. There is no investment classified as Level 3 due to an infrequent trading price held at 31 December 2022 (2021: one). There are two investments classified as Level 1 at 31 December 2022 (2021: one).

The following tables are a summary of the fair value hierarchy applied under the SORP in valuing the Fund's financial assets and liabilities measured as at 31 December 2022 and 31 December 2021:

31 December 2022	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total US$**
Financial assets at fair value through statement of total return:				
Collective Investment Schemes	55,185,200	356,389,976	-	411,575,176
Total financial assets at fair value through statement of total return	55,185,200	356,389,976	-	411,575,176

31 December 2021	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**	**Total US$**
Financial assets at fair value through statement of total return:				
Collective Investment Schemes	6,327,950	438,743,672	39,639,184	484,710,806
Total financial assets at fair value through statement of total return	6,327,950	438,743,672	39,639,184	484,710,806

3. Significant agreements and related parties

Manager
Carne Global AIFM Solutions (C.I.) Limited have been appointed to act as the Manager of the Fund pursuant to the Trust Instrument. The Fund pays to the Manager a fee equal to 0.04% per annum of the adjusted Net Asset Value of each Fund subject to a minimum monthly fee of US$6,500 as defined by the Fund's Prospectus or in accordance with any side letter agreement in force. The Manager's fees are calculated and accrued weekly and paid quarterly in arrears out of the Fund. The Manager is also entitled to recover certain out of pocket expenses including transaction fees incurred in carrying out its duties under the Trust Instrument.

The Manager shall be entitled to receive out of the Fund a transaction charge of US$20 for each application, redemption or conversion of Redeemable Participating Units in the Fund and on investment of the Fund's assets in an underlying fund that is managed, advised, sponsored or administered by the Manager or any of its affiliates or to which the Manager or any of its affiliates provides custodial or other services. On investment of a Fund's assets in a non-affiliated Underlying Fund, the Manager shall be entitled to receive out of the Fund a transaction charge of up to US$100.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

3. Significant agreements and related parties (continued)

Trustee

State Street Custodial Services (Jersey) Limited has been appointed to act as Trustee of the Fund's assets pursuant to the Trust Instrument. The Fund pays the Trustee a fee equal to 0.01% per annum of the adjusted Net Asset Value of the Fund. The Trustee's fees are calculated and accrued on each valuation point and paid quarterly in arrears.

The Trustee is also entitled to recover certain out of pocket expenses incurred in carrying out its duties under the Trust Instrument. Assets of the Fund are held on behalf of the Trustee by the State Street global custodian network.

Investment Adviser

Nissay Asset Management Corporation has been appointed to act as Investment Adviser pursuant to the Investment Advisory Agreement. As specified in the Fund's Prospectus or any side letter agreement in force, the Fund pays to the Investment Adviser a fee at the following rates per annum of the adjusted NAV of the Fund:

- Up to first US$100,000,000 0.35%
- The next US$100,000,000 0.30%
- Excess of US$200,000,000 0.25%

The Investment Adviser's fees are calculated and accrued on each valuation point and paid quarterly in arrears.

Administrator

The fees of the Administrator are borne by the Manager. The Administrator's properly incurred expenses and disbursements shall be borne by the Fund.

Under the definition included in Section 33 of FRS 102 "Related Party Disclosures" the Manager and Trustee are considered related parties to the Fund. Information required to be disclosed under Section 33 of FRS 102 is included in this Note and Notes 12, 14 and 21.

4. Taxation

Prima facie under Jersey tax law, the Trustees of a Jersey Trust are subject to Jersey tax on the income which arises to them in their capacity as Trustee. Notwithstanding this, by concession, on the basis that all Redeemable Participating Unitholders beneficially entitled to distributions from the income of the Fund are non-resident in Jersey for tax purposes, the Fund will not be subject to Jersey income tax on all income arising outside Jersey and bank interest arising in Jersey.

The Fund will be subject to Jersey income tax at the general income tax rate (currently 20%) on any income arising in Jersey. The Manager does not intend to conduct the business of the Fund so as to give rise to taxable Jersey source income.

Redeemable Participating Unitholders not resident in Jersey will not suffer Jersey tax on distributions on units held and no Jersey tax is payable by Redeemable Participating Unitholders on redemption proceeds of units.

Capital gains, dividends and interest on securities held in the Fund may be subject to withholding or capital gains taxes imposed by the country of origin of the issuer of any such securities.

Withholding tax on dividends received for the year ended 31 December 2022 amounted to US$284,912 (2021: US$39,705). The were no Capital Gains tax for the year ended 31 December 2022 US$Nil (2021: US$Nil)

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

5. Net asset value per Redeemable Participating Unit

For the Redeemable Participating Units to be classified as equity instruments they are required to meet all three of the following conditions:

(i) The Fund is a stand-alone fund or is the sub fund of an umbrella;
(ii) The Fund has only a single class of units; and
(iii) The Fund is not obliged to distribute by way of cash any part of the total return to unitholders.

The Fund does not meet all of the conditions and so the Redeemable Participating Units are classified as Debt.

The NAV per Redeemable Participating Unit is determined as at each Dealing Day by dividing the NAV of the Fund by the number of Redeemable Participating Units in issue.

The dealing NAV per Redeemable Participating Unit based on the mid-market valuation of investments as at 31 December 2022 is US$11,933.68* (2021: US$15,423.22).

*The NAV per Redeemable Participating Unit published to the market as at 31 December 2022 was US$11.797.48

6. Redeemable Participating Units in issue

The number of Redeemable Participating Units in issue as at 31 December 2022 was 39,919.64 (2021: 31,507.33).

The following tables show the movement in the number of Redeemable Participating Units for the year ended 31 December 2022 and 31 December 2021:

31 December 2022	**Class USD**
Opening balance	31,507.33
Units issued	8,412.31
Units redeemed	-
Closing balance	39,919.64

31 December 2021	**Class USD**
Opening balance	31,507.33
Units issued	-
Units redeemed	-
Closing balance	31,507.33

7. Distributions to Redeemable Participating Unitholders

Distributions of US$5,800,000 were paid to Redeemable Participating Unitholders during the year ended 31 December 2022 (2021: US$9,800,000).

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

8. Fair value of investments

	31/12/22 US$	31/12/21 US$
Historical cost as at 1 January	323,030,391	328,943,999
Additions	51,019,780	6,051,272
Disposals	(40,080,531)	(11,964,880)
Historical cost as at 31 December	333,969,640	323,030,391
Net unrealised surplus at the year end	77,605,536	161,680,415
Fair value as at 31 December	411,575,176	484,710,806

9. Net capital (loss)/gain on investments

	Notes	Year ended 31/12/22 US$	Year ended 31/12/21 US$
Proceeds from sales of investments during the year		20,873,379	16,664,357
Historical cost of investments sold during the year		(40,080,531)	(11,964,880)
Net (losses)/gains realised on investments sold during the year	1(d)	(19,207,152)	4,699,477
Net unrealised surplus at the start of the year		(161,680,415)	(157,282,341)
Net unrealised surplus at the end of the year	1(d)	77,605,536	161,680,415
Net capital (loss)/gain on investments during the year		(103,282,031)	9,097,551

10. Other net gains

	Notes	Year ended 31/12/22 US$	Year ended 31/12/21 US$
Foreign currency gains	1(f)	66,357	53,447

11. Revenue

	Notes	Year ended 31/12/22 US$	Year ended 31/12/21 US$
Dividend income	1(c)	1,442,750	167,224
Interest income	1(c)	177,978	-
		1,620,728	167,224

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

12. Expenses

	Notes	Year ended 31/12/22 US$	Year ended 31/12/21 US$
Payable to the Manager			
Management fee	3	(172,062)	(203,664)
Payable to the Trustee			
Trustee fee	3	(43,005)	(50,878)
Payable to the Investment Adviser			
Investment advisory fee	3	(1,225,139)	(1,421,960)
Payable to the Custodian and Sub-Custodian			
Custodian and Sub-Custodian fee	3	(43,005)	(50,878)
Other expenses			
Audit fee		(17,686)	(19,687)
Interest expense		-	(1,266)
Management services for CIS held		(357,056)	(524,166)
Other expenses		(18,603)	(15,039)
		(393,345)	(560,158)
Total expenses		(1,876,556)	(2,287,538)

13. Cash and bank balances

	31/12/22 US$	31/12/21 US$
Cash and bank balances	65,299,700	1,792,350

14. Creditors – amounts falling due within one year

	31/12/22 US$	31/12/21 US$
Accrued expenses – related parties	(395,760)	(426,190)
Accrued expenses – other parties	(90,926)	(132,362)
	(486,686)	(558,552)

Accrued expenses payable to related parties are unsecured, non-interest bearing and repayable on demand.

15. Efficient portfolio management

The Fund may employ investment techniques and financial derivative instruments for efficient portfolio management and/or investment purposes subject to the conditions and within the limits from time to time as per the Prospectus.

As at 31 December 2022, the Fund had not entered into any contracts for derivative instruments (2021: US$Nil).

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

16. Market and risk implications

As described in Note 1, the Manager has prepared the financial statements on the going concern basis. In doing so, and in pursuing the investment objectives referred to on page 1, the Manager has considered the following market and risk implications.

The market risk of the Fund may be affected by three main components: changes in actual market prices, interest rates and foreign currency movements.

The Manager performs quarterly reviews and agrees on policies for managing each of these risks. The Manager receives quarterly reporting on risk matters and reviews the risk management process on an annual basis. These policies have remained substantially unchanged since the beginning of the year to which these financial statements relate.

Methodology used for risk management

Interest rate risk
Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. This risk arises on financial instruments whose fair value or future cash flows are affected by changes in interest rates. The Fund is not exposed to significant interest rate risk as the majority of the Fund's financial assets are investments in collective investment schemes which neither pay interest nor have a maturity date except on its cash and bank balances that are subject to variable interest rates.

The tables below summarise the Fund's significant exposure to interest rate risks as at 31 December 2022 and 31 December 2021:

	Interest Bearing				
31 December 2022	**Maturity Date Less than 1 Year US$**	**Maturity Date 1 – 5 Years US$**	**Maturity Date More than 5 Years US$**	**Non- interest Bearing US$**	**Total Fair Value US$**
Assets					
Collective Investment Schemes	-	-	-	411,575,176	411,575,176
Cash and bank balances*	65,299,700	-	-	-	65,299,700
Total Assets	65,299,700	-	-	411,575,176	476,874,876
Liabilities					
Creditors - amounts falling due within one year	-	-	-	(486,686)	(486,686)
Total Liabilities (excluding net assets attributable to Redeemable Participating Unitholders)	-	-	-	(486,686)	(486,686)
Net Assets	65,299,700	-	-	411,088,490	476,388,190

* Cash and bank balances only are subject to variable interest rates.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

16. Market and risk implications (continued)

Methodology used for risk management (continued)

Interest rate risk (continued)

	Interest Bearing				
31 December 2021	**Maturity Date Less than 1 Year US$**	**Maturity Date 1 – 5 Years US$**	**Maturity Date More than 5 Years US$**	**Non- interest Bearing US$**	**Total Fair Value US$**
Assets					
Collective Investment Schemes	-	-	-	484,710,806	484,710,806
Cash and bank balances*	1,792,350	-	-	-	1,792,350
Total Assets	1,792,350	-	-	484,710,806	486,503,156
Liabilities					
Creditors - amounts falling due within one year	-	-	-	(558,552)	(558,552)
Total Liabilities (excluding net assets attributable to Redeemable Participating Unitholders)	-	-	-	(558,552)	(558,552)
Net Assets	1,792,350	-	-	484,152,254	485,944,604

* Cash and bank balances only are subject to variable interest rates.

A 5% change in the interest rates, with all other variables held constant, would result in US$3,264,985 (2021: US$89,618) change in Net Assets.

Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in the rate of exchange between the currency in which the financial asset or financial liability is denominated in and the functional currency of the Fund.

A portion of the financial assets of the Fund is denominated in currencies other than the US$ with the effect that the Balance Sheet and Statement of Total Return can be significantly affected by currency movements.

The following table sets out the Fund's net exposure to foreign currency as at 31 December 2022 and 31 December 2021.

Currency	**Assets**		**Liabilities**		**Net Exposure**	
	31/12/22 US$	**31/12/21 US$**	**31/12/22 US$**	**31/12/21 US$**	**31/12/22 US$**	**31/12/21 US$**
EUR	1,629	55,993,841	-	-	1,629	55,993,841
TWD	22,314,303	38,547,539	-	-	22,314,303	38,547,539
USD	454,558,944	391,961,776	(486,686)	(558,552)	454,072,258	391,403,224
	476,874,876	486,503,156	(486,686)	(558,552)	476,388,190	485,944,604

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

16. Market and risk implications (continued)

Methodology used for risk management (continued)

Foreign currency risk (continued)
Foreign currency risk is the risk that the fair value of the future cash flows of a financial The impact of a 10% exchange rate increase between US$ and the foreign currencies relevant to the Fund is US$2,231,593 (2021: US$9,454,138). A 10% decrease would have an equivalent but opposite effect.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Fund is a "Fund of Funds" investing primarily in quoted and unquoted collective investment schemes and thus it might not be possible to easily realise the unquoted collective investment schemes and free up liquidity. However, the Manager (and the majority of the underlying funds) has powers under the Trust Instrument to be able to defer any large redemption requests for a certain time period in order to give the Investment Adviser time to raise sufficient cash.

As at 31 December 2022 the Fund invested 86.31% (2021: 99.63%) of its assets in collective investment schemes.

Other obligations of the Fund include payables for investments purchased and accrued expenses. Payables for investments purchased are typically settled within three days of the security trade date. Accrued expenses of the Fund typically have a maturity of between one and three months depending on the timing of when invoices are received and processed.

As at 31 December 2022 and 31 December 2021, the Fund's financial liabilities had maturity dates of less than 3 months.

Credit risk
Exposure to credit risk arises from counterparties failing to meet all or part of their obligations. This includes changes to the market value of assets caused by changes in perception of the creditworthiness of counterparties. The maximum exposure is equal to the carrying amount of those assets.

The Fund may be exposed to a credit risk on brokers, investees and counterparties with whom they trade and will also bear the risk of settlement default. Details of how the Fund manages its exposure to credit risk are contained in the Fund's Prospectus.

The risk of default on securities transactions is considered minimal as the vast majority of securities are dematerialised and thus the book entry is made for cash settlement at the same time as the book entry for the transfer of the security. A trade will fail if either party fails to meet its obligation.

The Fund will be exposed to the risk of the Custodian or certain custodians used by the Custodian, in relation to the Fund's cash held by the Custodian. In event of insolvency or bankruptcy of the Custodian, the Fund will be treated as a general creditor of the Custodian in relation to cash holdings of the Fund.

The long term credit rating of State Street as at 31 December 2022 was Aa2 (31 December 2021: Aa2), as rated by Moody's rating agency.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

16. Market and risk implications (continued)

Methodology used for risk management (continued)

Credit risk (continued)
The following table details the exposure to credit risk at the reporting date:

	31/12/22 US$	31/12/21 US$
Cash and bank balances	65,299,700	1,792,350
	65,299,700	1,792,350

Capital risk management
The capital of the Fund is represented by the net assets attributable to holders of Redeemable Participating Units. The amount of net assets attributable to holders of Redeemable Participating Units can change significantly as the Fund is subject to subscriptions and redemptions. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund. There is no externally-imposed capital requirement to the Fund.

In order to manage capital risk, the Fund's policy is first to monitor the levels of potential redemptions, and the levels of intended subscriptions and redemptions actually instructed by investors. The Trustee and the Manager monitor capital on the basis of the value of net assets attributable to Redeemable Participating Unitholders.

Market price risk
The Fund's investments are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund's market price risk is managed through a combination of ways outlined in the Fund's Prospectus.

A 15% change in the actual market prices at the year-end date, with all other variables held constant, would result in US$61,736,276 (2021: US$72,706,621) change in Net Assets.

17. Reconciliation of NAV per financial statements to NAV per dealing NAV

The NAV at which Unitholders may subscribe or redeem (i.e. the "dealing NAV") differs from the NAV disclosed in the financial statements due to the inclusion of updated valuations for the collective investment schemes held by the Fund.

The following is the reconciliation between the NAV in the financial statements and the NAV as per dealing NAV as at 31 December 2022. There were no valuation adjustment as at 31 December 2021:

	31/12/22 US$
NAV per financial statements	476,388,190
Total valuation adjustment	(5,436,892)
NAV per dealing NAV	470,951,298

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

18. Significant events during the year

The outbreak of Coronavirus (COVID-19), declared by the World Health Organisation ("WHO") as a global pandemic in March 2020 and has impacted many aspects of daily life and the global economy since this date. There has been no official change to its status as a pandemic, but this is expected in 2023 as the crisis is now considered broadly stable. We continue to be informed of new variants impacting different regions. The number of infections continue to increase but there is continued focus on rollout of vaccine programmes and a significant drop in recorded mortality rates. Most travel movements and operational restrictions implemented by many countries have returned to normal. While many economies globally have reopened the pace of recovery has varied from country to country and most countries also now impacted by the rising inflation as a global phenomenon. As we progress through 2023, there continues to be potential unforeseen economic consequences from this virus and market reaction to such consequences could be rapid and unpredictable and vary from country to country.

The Manager will continue to monitor business continuity and resilience processes with the objective of mitigating any ongoing impact of COVID-19.

On 24 February 2022, Russia engaged in military actions in the sovereign territory of Ukraine. The Manager of the Fund is closely monitoring developments that may impact financial markets including sanctions, actions by governments and developments of the crisis. The Manager of the Fund will further assess the impact on the Sub-Fund's portfolio operations and valuation and will take any potential actions needed, as facts and circumstances are subject to change and may be specific to investment strategies and jurisdictions.

During the year the Fund had indirect exposure to Russian positions.

The Global Diversification Funds Supplemental Trust Instrument was due to be approved by the Manager and Trustee on 20 May 2022. The summary of non-material updates are as follows:

- Definition of a dealing day is to change (removing dealing on the month end price);
- Definition of a valuation point is to change (to account for no month end dealing day); and
- Clarificatory wording on the pricing of collective investment schemes added.

There were no other significant events during the year.

19. Significant events after the year end

Between the date of the Balance Sheet and the date of approval of these financial statements, the MSCI Emerging Markets Index (in US Dollars) has increased by 3.20%.

Subsequent to the year end, as at 23 May 2023, the NAV per Redeemable Participating Unit of the Fund has increased from US$11,933.68* to US$12,115.92. The total NAV of the Fund has increased from US$476,388,190 to US$483,663,188. This movement takes into account routine transactions but also reflects the significant market movements of recent months.

The Manager has not gated nor deferred any unitholder's redemption requests to date and is not aware of any final unitholder redemption requests subsequent to year end.

There were no other significant events after the year end.

*The NAV per Redeemable Participating Unit published to the market as at 31 December 2022 was US$11,797.48.

20. Ultimate controlling party

The Manager considers there to be no ultimate controlling party.

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

21. Related party transactions

The Manager earned fees of US$172,062 (2021: US$203,664) during the year of which US$46,187 remained payable at the year end (2021: US$351,019). The Investment Adviser earned fees of US$1,225,139 (2021: US$1,421,960) during the year of which US$326,479 remained payable at the year end (2021: US$50,114). The Trustee earned fees of US$43,005 (2021: US$50,878) during the year of which US$11,547 remained payable at the year end (2021: US$12,528). The Custodian and Sub-Custodian earned fees of US$43,005 (2021: US$50,878) during the year of which US$11,547 remained payable at the year end (2021: US$12,529).

22. Approval of the financial statements

The financial statements were approved by the Manager, Carne Global AIFM Solutions (C.I.) Limited on 2 June 2023.

THE GLOBAL DIVERSIFICATION FUND - MULTI-MANAGER DYNAMIC EMERGING EQUITY INVESTMENT FUND

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