GREENWAY INFRASTRUCTURE FUND

Condensed Interim Financial Statements (Unaudited)

For the six months ended 30 June 2024

Contents

General Information

Manager and Registrar

CSC Fund Services (Jersey) Limited [1,2]
44 Esplanade
St Helier, Jersey
Channel Islands
JE4 9WG

Trustee and Note Trustee

Zedra Jersey Trust Corporation Limited[2]
50 La Colomberie
St Helier, Jersey
Channel Islands
JE2 4QB

Investment Advisers

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

Mizuho International Plc
30 Old Bailey
London
EC4M 7AU

Custodian and Administrator

BNP Paribas S.A, Jersey Branch[2]
IFC1, The Esplanade
St Helier, Jersey
Channel Islands
JE1 4BP

Independent Auditor

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

[1] Formerly Intertrust Fund Services (Jersey) Limited.
[2] Regulated by the Jersey Financial Services Commission.

Investment Adviser Review

<u>Background</u>

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

The portfolio of projects as of 30 June 2024 is unchanged compared to the portfolio in June 2023, comprising thirteen private finance initiative ("PFI") transactions. The Category 1 PFI assets are: five hospitals; four schools (see below re. ByLewisham being split as two transaction assets); one highway infrastructure service project; one police station project; and one government accommodation project. There are no Category 2 assets in the portfolio – all have been sold or have pre/repaid.

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

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

No assets have been acquired since 2009.

<u>Underlying Asset Performance</u>

The assets continue to perform in-line with expectations of the Investment Adviser. Purely technical issues with assets do arise from time-to-time but any such issues as well as the continuing performance of the projects and assets, are monitored closely and on an on-going basis. There have been no issues with the service of senior debt nor any detrimental issues with underlying project performance identified.

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

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

In a reaction to these inflationary pressures, the Bank of England has sharply increased the base rate during the period of 2022/2023. These increases have had no effect on the ability of the project companies to service debt. As mentioned above, the availability payments are inflation-linked, and the project companies' deposit rates have increased in-line with the Bank of England base rate. The market expects that the base rate will gradually decline from Q3 2024 to an eventual level of 3% in 2026. A reduction of 25bps was realised in August 2024.

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

(i) In 2018, the Carillion Group entered liquidation and in 2019, Interserve Plc entered administration. Entities within the Carillion and Interserve groups were providing facility management ("FM") services to the projects and therefore the debt on some of the assets within the portfolio was technically affected (Carillion: Series 13, Series 4, Series 6 and Series 5; and Interserve Plc: Series 14).

Investment Adviser Review (continued)

Underlying Asset Performance (continued)

In order to protect against losses, lenders reserved all their rights and the process of replacing contractors for the affected transactions was robust. The projects continued to perform such that the debt was serviced in-line with previous periods and facility management companies such as Bouygues and Sodexo have provided interim services whilst permanent contracts were negotiated. Outstanding claims brought by the service recipients against Carillion were settled which removes any perceived future cash flow uncertainty for the projects affected. There is no expectation of any further issues arising.

(ii) In addition to the FM service provider credit events, the Grenfell Tower tragedy has meant that many of the projects are re-assessing the fire safety aspects of the buildings they own. This identified an issue for Series 6, The Hospital Company (Oxford John Radcliffe), where investigation has led to the conclusion that the cladding on the building needs replacing and the associated costs would be c£26m. As a significant cost to the project, there was a need to be funded by a cash injection and the sponsors have now put this in place in the form of a subordinated loan. However, the uncertainty over potential cost overruns meant that the Investment Advisers marked down the asset by 150bps until the works were completed and any financial risk to the project was proven to have been adequately resolved. Pursuant to this, the mark-down was reversed in June 2023.

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

Other

As all the assets in the portfolio referenced Sterling London Interbank Offered Rate ("LIBOR") and this was discontinued from 1 January 2022, the Investment Advisers worked through the various amendments that were required to the documentation of each underlying loan for their transition to Sterling Overnight Index Average ("SONIA") and all amendments were completed on time. On 30 June 2021, the Variable Funding Note ("VFN") of the Fund was amended to allow for the gradual transition of the underlyings, so the Fund was match-funded with no leakage. The transition has operationally worked without issue.

Overall Fund Performance

In January 2024, the Fund paid a dividend to Unitholders for the period 1 July 2023 to 31 December 2023 in an amount of £470,394. In July 2024, the Fund paid a further dividend to Unitholders for the period 1 January 2024 to 30 June 2024 in an amount of £419,995.

As of 30 June 2024, the unit price of the Fund, for Unitholder dealing purposes, was (pre-dividend) £31.48. This price reflects the fair value methodology utilised by the Fund.

During this period no Unitholder capital redemptions were undertaken.

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

Overall, the performance of the Fund is in line with the expectations of Commerzbank AG, London Branch.

Commerzbank AG, London Branch
Investment Adviser

Condensed Statement of Comprehensive Income

	Notes	Six months to 30 June 2024 (Unaudited) £	Six months to 30 June 2023 (Unaudited) £
Net gains on Secured Investments	3	598,061	1,550,807
Interest income from Secured Investments		3,170,579	2,766,947
Break and commitment fee income		18,530	10,679
Other income		179,831	139,826
Net investment gains		**3,967,001**	**4,468,259**
Expenses	4	(377,641)	(268,138)
Net profit from operations before finance costs		**3,589,360**	**4,200,121**
Interest expense	5	(2,466,019)	(2,103,661)
Net profit for the period		**1,123,341**	**2,096,460**
Other comprehensive income		-	-
Total comprehensive income for the period		**1,123,341**	**2,096,460**
Basic and diluted earnings per unit	12	£4.68	£8.74

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

The notes on pages 9 to 21 are an integral part of these condensed interim financial statements.

Condensed Statement of Changes in Unitholders' Funds

Six months to 30 June 2024 (Unaudited)	Note	**Units in issue** £	**Retained deficit** £	**Total Unitholders' funds** £
Balance at 1 January 2024		24,017,710	(11,070,398)	12,947,312
Total comprehensive income for the period		-	1,123,341	1,123,341
Distributions paid	9 (c)	-	(470,394)	(470,394)
Balance at 30 June 2024		**24,017,710**	**(10,417,451)**	**13,600,259**

Six months to 30 June 2023 (Unaudited)	Note	**Units in issue** £	**Retained deficit** £	**Total Unitholders' funds** £
Balance at 1 January 2023		24,017,710	(10,946,935)	13,070,775
Total comprehensive income for the period		-	2,096,460	2,096,460
Distributions paid	9 (c)	-	(299,996)	(299,996)
Balance at 30 June 2023		**24,017,710**	**(9,150,471)**	**14,867,239**

The notes on pages 9 to 21 are an integral part of these condensed interim financial statements.

Condensed Statement of Financial Position

	Notes	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Non-current assets			
Secured Investments	6/7	90,326,203	93,680,589
Total non-current assets		**90,326,203**	**93,680,589**
Current assets			
Interest and other receivables	8	3,188,493	3,169,261
Cash and cash equivalents		8,581,541	8,332,797
Total current assets		**11,770,034**	**11,502,058**
Total assets		**102,096,237**	**105,182,647**
Equity and liabilities			
Equity			
Units in issue	9	24,017,710	24,017,710
Retained deficit		(10,417,451)	(11,070,398)
Total equity		**13,600,259**	**12,947,312**
Non-current liabilities			
Financial liabilities at amortised cost	10	82,622,276	86,511,917
Current liabilities			
Financial liabilities at amortised cost	10	3,889,000	3,624,000
Interest and other payables	11	1,984,702	2,099,418
Total liabilities		**88,495,978**	**92,235,335**
Total equity and liabilities		**102,096,237**	**105,182,647**
Net asset value per unit	12	£56.67	£53.95

The condensed interim financial statements on pages 5 to 21 were approved and authorised for issue by the Trustee of Greenway Infrastructure Fund on 29 October 2024:

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Zedra Jersey Trust Corporation Limited

The notes on pages 9 to 21 are an integral part of these condensed interim financial statements.

Condensed Statement of Cash Flows

	Notes	Six months to 30 June 2024 (Unaudited) £	Six months to 30 June 2023 (Unaudited) £
Cash flows from operating activities			
Interest income from Secured Investments		3,239,641	2,177,093
Interest income from cash and cash equivalents		125,583	109,487
Operating expenses paid		(258,156)	(250,605)
Redemption of Secured Investments	15	3,889,390	3,704,170
Net cash from operating activities		**6,996,458**	**5,740,145**
Cash flows from financing activities			
Interest paid		(2,538,181)	(1,662,217)
Payments on redemption of the VFN	10	(3,624,000)	(3,628,000)
Dividends paid to Unitholders		(585,533)	(299,996)
Net cash used in financing activities		**(6,747,714)**	**(5,590,213)**
Net increase in cash and cash equivalents		248,744	149,932
Cash and cash equivalents at the beginning of the period		8,332,797	8,138,946
Cash and cash equivalents at the end of the period		**8,581,541**	**8,288,878**

The notes on pages 9 to 21 are an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

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

2. Material accounting policies

2.1 Basis of preparation
The Condensed Interim Financial Statements for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standards 34 - 'Interim Financial Reporting' ("IAS 34"). They have also been prepared using the same accounting policies applied for the financial statements for the year ended 31 December 2023, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board. Refer to note 2 of the financial statements for the year ended 31 December 2023 for more details on the material accounting policies.

No new standards or interpretations have been adopted by the Fund during the period. The Fund has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective.

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

The Fund's portfolio of assets is shielded from an economic downturn by falling under availability-based payment regimes as explained in the Investment Review on page 3.

The Manager is of the opinion that the Fund can meet its liabilities and ongoing expenses as they fall due and the Manager has a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Investment Advisers expect that the future proceeds from the investments will be sufficient to redeem the VFN outstanding and repay all other liabilities. Accordingly, the condensed interim financial statements have been prepared on a going concern basis and the Trustee believes that it is appropriate to adopt this basis.

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

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

The Investment Advisers are responsible for the Fund's entire portfolio and consider the business to have a single operating segment. The Investment Advisers' asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

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

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

Notes to the Condensed Interim Financial Statements (continued)

2. Material accounting policies (continued)

2.3 Financial instruments
(i) Classification
Financial assets that are measured as amortised cost include interest and other receivables, and cash and cash equivalents.

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

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

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

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

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

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

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

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

Notes to the Condensed Interim Financial Statements (continued)

3. Net gains on Secured Investments

	Six months to 30 June 2024 (Unaudited) £	Six months to 30 June 2023 (Unaudited) £
Net gains on Secured Investments	598,061	1,550,807
Net gains on Secured Investments	**598,061**	**1,550,807**

The net gains presented above exclude interest income and interest expense. The valuation of the Secured Investments as at 30 June 2024 and 31 December 2023 has been derived by the Investment Advisers using DCF modelling techniques reflective of their current and anticipated cash flows and market inputs. Refer to note 7 for further details.

4. Expenses

	Six months to 30 June 2024 (Unaudited) £	Six months to 30 June 2023 (Unaudited) £
Payable to the Manager or associates of the Manager:		
Manager and Registrar fee	18,002	20,967
Listing agent fees	1,992	-
	19,994	20,967
Payable to the Trustee or associates of the Trustee:		
Trustee's fee	13,713	10,000
Administration fees	17,484	15,996
Collateral Administration and Reporting Agent fees	25,000	24,726
Note Trustee fees	6,187	-
Custody and VFN Agent fees	9,932	9,945
Bank charges	1,255	498
Compliance fees	7,500	7,500
	81,071	68,665
Other expenses:		
Investment Management and Advisory fees	86,294	92,649
Execution Agent fees	12,328	13,236
Investment Servicer fees	24,655	26,471
Audit fee	38,639	31,974
Audit fee - GIC	44,575	-
Permit fees	4,407	3,515
Administration fees – GIC	39,974	-
Stock exchange fees	7,724	10,661
Legal and professional fees	17,980	-
	276,576	178,506
Total expenses	**377,641**	**268,138**

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

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

Notes to the Condensed Interim Financial Statements (continued)

4. Expenses (continued)
Investment Management and Advisory fees, Execution Agent fees and Investment Services fees (continued)
Mizuho Bank, Ltd, as investment servicer is entitled to receive on each Dividend Payment Date an investment servicer fee equal to 0.05 per cent per annum of the principal amount outstanding of the notes as at the immediately prior Dividend Payment Date.

Under the Subscription Agreement, the Fund is responsible for bearing certain operating expenses of GIC, although GIC can settle these expenses directly if it has sufficient funds. Refer to note 15 for additional disclosures regarding the relationship of the Fund with GIC.

5. Interest expense

	Six months to 30 June 2024 (Unaudited) £	Six months to 30 June 2023 (Unaudited) £
Interest expense on financial liabilities at amortised cost	**2,466,019**	**2,103,661**

Finance costs consist of interest accrued on the VFN. Details of the interest rate applicable to the VFN can be found in note 10.

6. Secured Investments

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Cost brought forward	99,163,885	106,762,489
Redemptions*	(3,952,447)	(7,598,604)
Cost at end of the period/year	**95,211,438**	**99,163,885**
Cumulative unrealised loss	(4,885,235)	(5,483,296)
Fair value at end of the period/year	**90,326,203**	**93,680,589**

*Redemptions are in the normal course of maturity and at par. Refer to note 7 for further information.

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

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

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

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

Notes to the Condensed Interim Financial Statements (continued)

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

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

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

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

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

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

30 June 2024	Level 1 (Unaudited) £	Level 2 (Unaudited) £	Level 3 (Unaudited) £	Total (Unaudited) £
Secured Investments	-	-	90,326,203	90,326,203
VFN*	-	-	94,060,348	94,060,348

31 December 2023	Level 1 (Audited) £	Level 2 (Audited) £	Level 3 (Audited) £	Total (Audited) £
Secured Investments	-	-	93,680,589	93,680,589
VFN*	-	-	97,214,932	97,214,932

* Refer to note 10 for details on the fair value of the VFN. VFN fair value is inclusive of accrued interest payable as at 30 June 2024 and 31 December 2023, refer to note 11 for further information.

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

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Opening fair value	93,680,589	101,395,951
Redemptions	(3,952,447)	(7,598,604)
Net gains/(losses) on Secured Investments	598,061	(116,758)
Closing fair value	**90,326,203**	**93,680,589**

Notes to the Condensed Interim Financial Statements (continued)

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

During the period ended 30 June 2024 and year ended 31 December 2023, there were no transfers within levels in the fair value hierarchy.

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

Description	Valuation technique	Unobservable input	Range (weighted average)	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Secured Investments - PFI	DCF	Discount Margin	2.0% (31 December 2023: 2.0%)	90,326,203	93,680,589

The fair values of the Secured Investments have been estimated through DCF modelling techniques, with reference made to expected cash flows arising on underlying loan facility agreements in place at the GIC level. Discount factors have been applied based on margins of 2.00% plus the relevant SONIA rates within the DCF model (31 December 2023: 2.00% plus the relevant SONIA rate).

PFI Secured Investments
In arriving at the reported fair values of all PFI Secured Investments, the following judgemental inputs have been used within the valuation models:

- Expected cash flows until contractual maturity:
  - In all cases, the valuation is based on contractual cash flows being settled in line with the contractual arrangements.
  - In forecasting the future cash flows, amounts in relation to the future related interest cash flows are included based on estimated margins and future SONIA rates.
- All the contractual cash flows have been discounted based on a margin rate of 2.00%. These discount rates, in the opinion of the Investment Advisers, represent the appropriate rate to reflect the risk profile of the PFI Secured Investments.

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

			Effect on fair value	
Description	**Unobservable input**	**Sensitivity used**	**30 June 2024 (Unaudited) £**	**31 December 2023 (Audited) £**
Secured investments - PFI	Discount Margin	+1%	(3,559,584)	(3,956,048)
		-1%	3,813,903	4,253,969

Notes to the Condensed Interim Financial Statements (continued)

8. Interest and other receivables

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Accrued interest on Secured Investments	1,978,254	2,035,482
Redeemed principal receivable on Secured Investments*	1,184,068	1,121,013
Other debtors	2,282	5,164
Prepayments	23,889	7,602
Total interest and other receivables	**3,188,493**	**3,169,261**

*Amounts to be returned to the Fund in respect of partially redeemed Secured Investments.

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

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

The Fund does not have any externally imposed capital requirements.

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

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
Units issued and fully paid	**No.**	**£**	**No.**	**£**
Balance at start of the period/year	239,997*	24,017,710	239,997*	24,017,710
Balance at the end of the period/year	**239,997**	**24,017,710**	**239,997**	**24,017,710**

* On 11 May 2023, in regard to the VFN holding, all 40,685 units held by Commerzbank AG, London Branch were transferred to its subsidiary, Commerzbank Finance Limited.

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

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

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

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

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

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

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

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

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

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

Notes to the Condensed Interim Financial Statements (continued)

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

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

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

(ii) A VFN Enforcement Notice is delivered;

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

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

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

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

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

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

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

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

A distribution of £1.25 per unit totalling £299,996 was paid on 9 January 2023 in respect of the period 1 July 2022 to 31 December 2022 and recognised in the financial statements for the year ended 31 December 2023.

A distribution of £1.58 per unit totalling £379,195 was paid on 7 July 2023 in respect of the period 1 January 2023 to 30 June 2023 and recognised in the financial statements for the year ended 31 December 2023.

A distribution of £1.96 per unit totalling £470,394 was paid on 8 January 2024 in respect of the period 1 July 2023 to 31 December 2023. This distribution has been recognised in the condensed interim financial statements for the period ended 30 June 2024.

A distribution of £1.75 per unit totalling £419,995 was paid on 5 July 2024 in respect of the period 1 January 2024 to 30 June 2024. This distribution has not been recognised in the condensed interim financial statements for the period ended 30 June 2024.

Notes to the Condensed Interim Financial Statements (continued)

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

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

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

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

(iv) To pay any interest payments outstanding;

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

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

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

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

10. Financial liabilities at amortised cost

VFN	**30 June 2024 (Unaudited) £**	**31 December 2023 (Audited) £**
Opening balance	90,135,917	97,469,199
Redeemed during the period / year	(3,624,000)	(7,332,000)
Movement in deferred income: discount on purchase of note series 24	(641)	(1,282)
Balance at the end of the period/year	**86,511,276**	**90,135,917**

Split in the Statement of Financial Position under headings:	**30 June 2024 (Unaudited) £**	**31 December 2023 (Audited) £**
Current liabilities	3,889,000	3,624,000
Non-current liabilities	82,622,276	86,511,917

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

The Trustee, on behalf of the Fund, signed a deed of amendment agreement with Commerzbank AG on 1 July 2021 in order to amend certain conditions in relation to the determination of interest amounts to reflect the transition away from LIBOR to SONIA.

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

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

Notes to the Condensed Interim Financial Statements (continued)

10. Financial liabilities at amortised cost (continued)
The VFN is split into three Tranches. Interest payable on the principal of Tranche A is payable semi-annually on 30 June and 31 December each year, on the principal of Tranche B, interest is payable semi-annually on 31 March and 30 September each year; and on Tranche C interest is payable monthly.

In as far as it is possible to do so, and in accordance with the VFN documentation and at the discretion of Commerzbank AG, London Branch as Execution Agent, the principal amounts of each Tranche are matched (rebalanced) on an ongoing basis to the principal amounts of the underlying assets by their roll dates to reduce any cash leakage from the Fund.

The interest calculation for Tranches A and B is determined using the 6-month GBP SONIA (31 December 2023: 6-month GBP SONIA) rate plus a margin. The interest calculation for Tranche C is determined using the 1-month GBP SONIA (31 December 2023: 1-month GBP SONIA) rate plus a margin.

As of 30 June 2024, taking into account the aforementioned relevant rebalancing, the principal amount of Tranche A was GBP 11,730,392; Tranche B was GBP 74,780,884 and Tranche C was nil.

	Tranche A (Unaudited) £	Tranche B (Unaudited) £	Tranche C (Unaudited) £	Total (Unaudited) £
At 1 January 2024	12,586,656	77,549,261	-	90,135,917
Tranche rebalancing during the period	2,768,377	(2,768,377)	-	-
Capital redemptions during the period	(3,624,000)	-	-	(3,624,000)
Movement in deferred income: discount on purchase of note series 24	(641)	-	-	(641)
At 30 June 2024	**11,730,392**	**74,780,884**	**-**	**86,511,276**

	Tranche A (Audited) £	Tranche B (Audited) £	Tranche C (Audited) £	Total (Audited) £
At 1 January 2023	14,316,469	83,152,730	-	97,469,199
Tranche rebalancing during the year	5,603,469	(5,603,469)	-	-
Capital redemptions during the year	(7,332,000)	-	-	(7,332,000)
Movement in deferred income: discount on purchase of note series 24	(1,282)	-	-	(1,282)
At 31 December 2023	**12,586,656**	**77,549,261**	**-**	**90,135,917**

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

VFN fair value
The fair value of the VFN at 30 June 2024 amounted to £94,060,348 (31 December 2023: £97,214,932). The fair value is calculated as the difference between the fair value of the total assets of the Fund and the fair value of the net assets/equity excluding the VFN. The total assets comprise of the fair value of the Secured Investments and the other assets while the equity fair value is computed by discounting the Unitholders' cash flows at unit cost of capital based upon market comparatives. As at 30 June 2024, the unit cost of capital comprises the product of the Debt Portfolio Discount Margin of 2.00 (200bps weighted based on the portfolio assets) (31 December 2023: 2.00 (200bps weighted based on the portfolio assets)) and a Leverage Multiplier of 3.00 (31 December 2023: 3.00). The fair value as at 30 June 2024 and 31 December 2023 was calculated by the Investment Advisers.

Had the NAV as at 30 June 2024 used the fair value of the Secured Investments as reported in these financial statements and the fair value of the VFN as noted above, then the NAV would have amounted to £7,409,536 (31 December 2023: £8,421,096) and the NAV per unit would have amounted to £30.87 (31 December 2023: £35.09).

Notes to the Condensed Interim Financial Statements (continued)

11. Interest and other payables

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
Accrued interest on VFN	1,358,349	1,430,510
Accrued Manager's periodic charge	13,553	27,916
Accrued Trustee's fee	20,885	21,173
Accrued Administration fees	5,832	5,849
Accrued Collateral Administration and Reporting Agent Fees	54,098	54,247
Accrued Custodian and VFN Agent fees	4,973	5,041
Accrued Investment Management and Advisory fees	86,294	90,896
Accrued Execution Agent fees	12,328	12,985
Accrued Investment Servicer fees	24,655	25,970
Accrued audit fee	98,639	60,000
Accrued audit fee - GIC	144,374	99,800
Accrued professional fees - GIC	10,780	-
Accrued other expenses	-	115,089
Payable to GIC	149,942	149,942
Total interest and other payables	**1,984,702**	**2,099,418**

12. Basic and diluted earnings per unit ("EPU") and Net asset value ("NAV") per unit
The calculation of the basic and diluted EPU for the period ended 30 June 2024 was based on the profit attributable to Unitholders of £1,123,341 (30 June 2023: £2,096,460) and weighted average number of units of 239,997 (30 June 2023: 239,997). There is no potential dilution of EPU.

The calculation of NAV per unit at 30 June 2024 was based on net assets attributable to Unitholders of £13,600,259 (31 December 2023: £12,947,312) and the number of units outstanding of 239,997 (31 December 2023: 239,997).

13. Reconciliation of NAV

	30 June 2024 (Unaudited) £	31 December 2023 (Audited) £
NAV as previously reported for Unitholder dealing purposes	7,555,381	7,548,551
Deferred income: discount on purchase of note series 24	(14,744)	(15,384)
Revaluation adjustment of financial liabilities at amortised cost – VFN (for Unitholder dealing purposes)	6,205,467	4,541,600
Accruals adjustments	(145,845)	(249,742)
Revaluation adjustment of VFN fair value	-	1,122,287
Net assets per financial statements	**13,600,259**	**12,947,312**

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

14. Contingent liabilities and commitments
There were no contingent liabilities at the Condensed Statement of Financial Position date. The Fund undertakes to subscribe for any notes issued by the Note Issuer when the Note Issuer is itself required to make payments in respect of its Underlying Investments. No such payment obligations by the Note Issuer were outstanding at the Condensed Statement of Financial Position date. The Fund has an undrawn cash commitment to GIC of £4,218,072 (31 December 2023: £4,218,072) in relation to the Secured Investments.

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

The total value of the financial assets held by the Fund at 30 June 2024 pledged as collateral for the Fund's liabilities is £102,096,237 (31 December 2023: £105,182,647).

Notes to the Condensed Interim Financial Statements (continued)

15. Related party transactions
CSC Fund Services (Jersey) Limited is the Manager and Registrar to the Fund in accordance with the Trust Instrument and is deemed to be a related party. The Manager and Registrar are remunerated based on the fee letter dated 22 November 2006.

As Trustee to the Fund, Zedra Jersey Trust Corporation Limited is deemed to be a related party. The Trustee is remunerated based on the fee letter dated 22 November 2006.

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

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

As at 30 June 2024 and 31 December 2023, Commerzbank Finance Limited was sole holder of the VFN and is deemed to be a related party to the Fund on the basis of the significant influence identified above. Interest paid to Commerzbank Finance Limited as holder of the VFN, distributions paid to Commerzbank Finance Limited as a Unitholder, and the carrying amount of the VFN at the Condensed Statement of Financial Position date is identified in notes 9 and 10.

On the basis that Commerzbank AG, London Branch is a controlling party and an investment adviser of GIC, transactions with GIC are deemed to be related party transactions. Transactions with GIC during the period related to the acquisition and return of principal in respect of the Secured Investments, the payment of interest on Secured Investments to the Fund, and the payment of fees and deposit interest to the Fund. Interest on Secured Investments and fees paid to the Fund during the period are set out in the Condensed Statement of Comprehensive Income. The PECO Holder is the holding company of GIC (which is a subsidiary of the PECO Holder). There were no transactions between the Fund and the PECO Holder during the period (30 June 2023: none).

The expenses incurred by the Fund on behalf of GIC are disclosed in note 4. In addition to the Investment Management and Advisory fees, the Execution Agent fees and the Investment Servicer fees paid on behalf of the Note issuer, the Fund incurs expenses in relation to corporate services on behalf of the Note Issuer payable to TMF Global Services (UK) Limited in accordance with the Corporate Services Agreement. Expenses incurred in regard to GIC during the period are disclosed in note 4.

The cash received by the Fund in respect of return of principal during the period totalled £3,889,390 (30 June 2023: £3,704,170).

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

16. Events after the reporting period
On 5 July 2024, the Fund made a distribution of £1.75 per unit and totalling £419,995 to Unitholders on the register as at 30 June 2024, for the period 1 January 2024 to 30 June 2024. The distribution is not recognised in these financial statements as it was declared after the Condensed Statement of Financial Position date.

On 11 July 2024, the Fund made a partial repayment of the VFN amounting to £3,889,000. Following this payment, the principal balance outstanding was £82,607,535.

There have been no other material post balance sheet events which would provide additional evidence relating to conditions that existed at the balance sheet date.

17. Reconciliation of liabilities arising from financing activities

	£
Balance as at 1 January 2024	**90,135,917**
Cash flow movements	
Redemption of financial liabilities at amortised cost	(3,624,000)
Non-cash flow movements	
Movement in deferred income: discount on purchase of note series 24	(641)
Balance as at 30 June 2024	**86,511,276**

Notes to the Condensed Interim Financial Statements (continued)

17. Reconciliation of liabilities arising from financing activities (continued)

	£
Balance as at 1 January 2023	**97,469,199**
Cash flow movements	
Redemption of financial liabilities at amortised cost	(7,332,000)
Non cash flow movements	
Movement in deferred income: discount on purchase of note series 24	(1,282)
Balance as at 31 December 2023	**90,135,917**

18. Controlling party

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